



# The Nation's Business

Agriculture : Mining : Manufacturing  
Transportation : Distribution



Finance : Education : Professions  
Government : Altruism

Entered as second-class matter, February 18, 1911, at the Post-office at Washington, D. C., under the Act of March 3, 1879.

Volume II.  
Number 10

PUBLISHED BY THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA  
Washington, D. C.: October 15, 1914.

\$1.00 a Year  
10 Cents a Copy

## Business Conservation

The main reason for confidence in business conditions at this juncture is the readiness which business interests have shown promptly and comprehensively to meet the sudden and demoralizing effects on commerce, both foreign and domestic, of the European war.

At present with these new problems unexpectedly cast upon us the situation as described in confidential reports from all parts of the country is only what might be expected.

There is uncertainty; a decided hesitation to launch into new enterprises and new markets; slowness in collections; some contraction of credit, and higher interest rates. The new conditions have not affected all sections of the country alike. Some are prospering; more find business impaired; and some are hard hit and seeking relief.

But the situation is in hand. Relief is apparently forthcoming. A feeling of security is grow-

ing. The country is not blighted. Enormous crops are seeking markets. The immediate problem is to conserve these crops until an available and profitable market is found,—and as with crops so with the products of industry. Money forthcoming to harvest, manufacture, and conserve will restore confidence, give time for readjustment to meet new conditions and to seek new markets.

The situation is one for faith in the soundness of fundamental conditions and the ability of the American business man under these circumstances to find the remedy for unexpected hardships suddenly thrust upon us by the European conflict. Stopping for a moment to compare our commercial situation with the condition of the great nations, our commercial rivals, now at war, we have good reason for a feeling of confidence.

## Table of Contents for October 15, 1914

	Page		Page
South American Trade	3 and 11	Oldfield Patent Bill	10
Bolivia—Adolfo Ballivian, Consul General		Clayton Antitrust Bill	4
Paraguay—Wm. Wallace White, Consul		Federal Interstate Trade	
Peru—Eduardo Higginson, Consul General		Commission Bill	4
Uruguay—Jose Richling, Consul General at Large			
U. S. Merchant Marine	5	Canadian Trade Conditions	12, 13
By Bernard S. Baker		By A. G. Robinson	
By John Wanamaker		Seventh Annual Governors'	
Commercial Attaches	6, 7 and 14	Conference	15
By A. H. Baldwin		By Honorable John Franklin Fort	
By E. E. Pratt		Commercial Organization	
Effect of War on Business	8	Activities	16
By A. W. Douglas			
Uniform Fire Waste Control	9		
By Powell Evans			

# THE NATION'S BUSINESS

Published Monthly by the  
CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA  
Riggs Building, Washington, D. C.  
New York Office—Woolworth Building, Chicago Office—10 South La Salle Street.  
San Francisco Office—Merchants Exchange Building.

Subscription Price:  
\$1.00 Per Year

MARK O. PRENTISS  
ACTING EDITOR

Entered as Second-class Matter, February 18, 1913, at the Post Office at Washington, D. C.  
Under the Act of March 3, 1879.

## THE CHAMBER OF COMMERCE OF THE UNITED STATES OF AMERICA

**PRESIDENT**  
JOHN H. FARLEY, Boston.

**VICE PRESIDENTS**  
H. L. CORREY, Portland, Ore.  
A. H. MULLIKEN, Chicago, Ill.  
A. H. PASQUARI, York, Pa.  
ROBERT F. MADDOX, Atlanta, Ga.

**TREASURER**  
JOHN JOY EDSON, District of Columbia.

**CHAIRMAN EXECUTIVE COMMITTEE**  
JAMES G. CUTLER, Rochester, N. Y.

**GENERAL SECRETARY**  
ELLIOT H. GOODWIN.

**ASSISTANT SECRETARY**  
D. A. SKINNER.

**FIELD SECRETARY**  
EDWARD F. TRAPP.

**DIRECTORS**  
FREDERICK BODE, Chicago, Ill.  
CHARLES BORTCHERS, Denver, Colo.  
FREDERIC E. BROTHER, Portland, Me.  
L. C. BOYD, Indianapolis, Ind.  
THOMAS BURKE, Seattle, Wash.  
PAUL T. CARROLL, San Francisco, Cal.  
HARRY C. CLARK, Minneapolis, Minn.  
FRANKLIN CONKLIN, New York, N. Y.  
JAMES G. CUTLER, Rochester, N. Y.  
WILLIAM HOBBS DOUGLAS, New York, N. Y.  
JAMES L. FERGUSON, Newport News, Va.  
HENRY H. JAY, Detroit, Mich.  
WILLIAM S. KEITH, Kansas City, Mo.  
JAMES R. MACCOLL, Providence, R. I.  
WILLOUGHBY M. MCCORMICK, Baltimore, Md.  
CHARLES NAGEL, St. Louis, Mo.  
JOHN W. PHILIP, Dallas, Tex.  
E. L. PHILLIPS, Milwaukee, Wis.  
JOHN H. REYNOLDS, Rome, Ga.  
G. W. RHETT, Charleston, S. C.  
LEON C. SIMON, New Orleans, La.  
W. H. STEVENSON, Pittsburgh, Pa.  
T. L. TEMPLE, Texarkana, Ark.  
JOSEPH M. ULLMANN, New Haven, Conn.  
C. E. YOST, Omaha, Neb.

\*Indicates members of Executive Committee.

It is particularly fortunate that the Directors of the Chamber of Commerce of the United States will hold their next meeting in New Orleans, October 20 and 21. The Directors, representing various lines of business in all parts of the country, will visit twenty-two cities, in ten states, studying conditions, meeting business men and discussing with them various business conditions, in order to bring about a more intimate touch and closer co-operation among business men for the benefit of all sections of the country.

The trip through the Western States to San Francisco last year was productive of the highest good in that it thoroughly acquainted the organizations of the Western States and the coast with the general broad national purpose of the Chamber of Commerce of the United States and in that it placed all the Directors in touch with the peculiar and significant problems which lie before the organizations of the West, more sparsely settled as it is than the States of the East.

As the National Chamber is a federation of commercial organizations in all states of the Union, except New Mexico, it has been the policy of the Directors and of the Executive Committee of the Directors, to meet in various cities. In the first year of its existence, the Directors met three times in Washington, once in Boston and once in Chicago. The Executive Committee met once in Chicago and once in Plattsburgh, N. Y. During the second year, the Directors met four times in Washington, once in San Francisco, visiting many cities on the journey to and from San Francisco, once in Detroit, and once in Rochester, N. Y. The meetings so far during this year have taken place at the National Headquarters in Washington.

In each city the Directors will be taken in charge by the local commercial organizations and the time at their disposal will be used in visiting those industries which will give them the best insight into trade conditions in that particular locality. In this connection there will be a number of automobile trips, short water trips, inspection of factories, visits to various universities and colleges, business sessions of the local organizations, and informal receptions, in order that

through general informal discussion our Directors may learn direct of conditions and needs throughout the South. In a number of cities where only a short stop can be made, officials of the local organizations will join the Directors on their train and journey with them as far as convenient for the officials.

THE Chamber of Commerce of the United States is taking up the subject of uniform food and drug regulation through a special committee which held its first meeting at the headquarters of the Chamber in the Riggs Building, Washington, October 8th. The committee is composed of the Chairman, Willoughby M. McCormick of McCormick and Company, manufacturing chemists and drug and spice importers, Baltimore, Md., and a member of the Board of Directors of the National Chamber; A. J. Porter, President of the Shredded Wheat Company, Niagara Falls; John A. Green, Secretary of the National Association of Retail Grocers, Cleveland; B. L. Murray of the firm of Merck and Company, Rahway, N. J.; and Theodore F. Whitmarsh, Vice-President of Francis H. Leggett and Company, New York.

Mr. McCormick presented a statement showing existing conditions regarding the lack of uniformity of national, State, and municipal food and drug regulations.

The main point of discussion centered around the meaning that the committee should give to the word "uniformity" in pursuing its work. The following statement of broad principle was unanimously adopted:

Resolutions were adopted for submission to the Board of Directors of the Chamber at its next meeting to be held in New Orleans, October 20 and 21.

"Uniformity, as the committee would define it, involves the highest degree of efficiency in food and drug control which it is possible to have prevail universally and equally in every part of the Nation. The Federal, State and Municipal laws and their regulations would, if perfect uniformity were attainable, reach the level of full and complete efficiency—and thereby afford equal protection and a uniform standard of living for

all the people. Uniformity accomplished, places merit and the general public interest over local, political and geographical divisions. This committee will, therefore, direct its efforts and consideration toward the accomplishment of uniformity."

The committee cannot but feel impressed with the magnitude, the importance and the seriousness of this work. It cannot but feel the need for the closest study of the subject and, again, the committee cannot but feel the necessity for the fullest and most cordial co-operation between itself and the officials and all others concerned. The committee, will, of necessity, act deliberately and slowly, making certain of each step, considering only the important problems of national character.

It is only natural and to be expected that there should be a broad range of opinions expressed in the volumes written on the subject of our business present and prospective with Latin America. The notable feature of it all is that in so many thoughts and suggestions all authorities should be in accord. By far the major portion of our sales to South America are negotiated by half a dozen large corporations—the Standard Oil Company, the Steel Corporations, the Harvester Company, etc., which proves beyond all doubt that careful analysis, sufficient capital supported by a patient determination, will win big rewards; a broad survey of the experience of many others proves also that without these—knowledge of the country's needs, capital sufficient to handle the business properly, and "stick-to-it-iveness"—any effort is doomed to failure.

That our business, both sales to and purchases from South America, can be enormously increased, there is absolutely no doubt, and that now—today—is the time to begin it, is equally apparent to those most familiar with conditions. That net profits will result immediately must not be expected but we repeat, the rewards will be satisfactory to those who persist.

The advantages of a joint co-operative selling organization—one salesman for two or more non-competing lines—are many and the idea is rec-

ommended to the earnest consideration of those who are not now established in South America. A salesman who knows selling and knows Latin-America can sell two, three, four, and if the lines are small and not of a technical nature, he can handle five non-competing lines to the satisfaction of all concerned.

The National Chamber will act as a clearing house to receive proposals and exert every effort to bring members into touch with others who would like to negotiate such arrangement.

THE American people raise their voice in no uncertain protest that they should be taxed or assessed without their consent, such a colossal sum as their share of the losses in the world's wealth caused by the war in Europe. The American business man with his highly developed appreciation of efficiency deplores the loss as wicked and unnecessary. The attention of business men is directed to the fact that in this, our own peaceful country, there has been every year for the past ten years a direct loss due almost entirely to your neglect, of approximately five hundred millions of dollars not to mention the terrible loss of fifteen hundred lives—every year.

Research has proved that ninety per cent of this enormous fire waste can be prevented. By a prompt, efficient organized, determined effort, it is possible to save our country \$350,000,000 this year, and every year to come. In this, of all years, we should conserve our wealth, husband our strength, and reduce our waste and extravagance to the minimum.

Should the Fire Insurance Companies be called upon to pay losses aggregating only a fraction of what they paid to Baltimore or San Francisco, it is a matter of deep concern how they could raise the money at this time, with the world's stock exchanges closed and no open markets for the sale of stocks and bonds, assets which are carried with the assurance that they can be quickly converted into cash in any quantity. It is indeed a serious situation. This is a business problem for your earnest attention and early solution. It cannot be settled for you; it must be settled by you. Will you do it?

### STATEMENT OF THE OWNERSHIP, MANAGEMENT, CIRCULATION, ETC.

of The Nation's Business published Monthly  
(insert title of publication) (State frequency of issue)

at Washington, D. C., required by the Act of August 24, 1912.

NOTE:—This statement is to be made in duplicate, both copies to be delivered by the publisher to the postmaster, who will send one copy to the Third Assistant Postmaster General (Division of Classification), Washington, D. C., and retain the other in the files of the post office.

NAME OF— POST-OFFICE ADDRESS

Editor, Mark O. Prentiss (Acting) 708 Riggs Building, Washington, D. C.

Managing Editor, none

Business Manager, none

Publisher, Chamber of Commerce of the United States of America,

708 Riggs Building, Washington, D. C.

Owners:—(If a corporation, give names and addresses of stockholders holding 1 per cent or more of total amount of stock.)

Chamber of Commerce of the United States of America, Washington, D. C.  
Said body being an unincorporated organization, its activities being governed by a Board of Directors, the officers and members of which are as set forth in Exhibit A, attached herewith.

Known bondholders, mortgagees, and other security holders, holding 1 per cent or more of total amount of bonds, mortgages, or other securities:

none

Average number of copies of each issue of this publication sold or distributed, through the mails or otherwise, to paid subscribers during the six months preceding the date of this statement. (This information is required from daily newspapers only.)

D. A. Skinner

(Signature of editor, publisher, business manager, or owner)

Assistant Secretary,

CHAMBER OF COMMERCE

OF THE UNITED STATES OF AMERICA.

Sworn to and subscribed before me this Second day of October, 1914.

Katherine V. Boswell,

(My commission expires Jan. 3, 1918.) Notary Public.

# Commercial Needs of South American Republics

So much has been published relative to trade opportunities in South America, purely general in character and of little real aid to the exporter, that we are glad to publish a few of the communications received by the National Chamber from South American consular officers. These letters are commended to the attention of those seeking definite aid in the South American export field.

## Uruguay

THE commercial and financial issues of the present complications in Europe will be, or ought to be, a larger concentration of commerce and finance within the geographical and maritime borders of the American Continent.

A considerable portion of the European-South American trade should be diverted to the channels of North-South American commercial interchange. The sincerity of the businessmen of the United States who have announced themselves in former opportunities and in the present one as out for South American trade are now put to a severe test. In my opinion they will succeed by the adoption of the only possible means of success or will fail by the failure of adopting these means. These are the extension of credit to which Europe has rightly and deservedly accustomed the South American countries, which credit has already become a second nature to their trade system, and the limitation of profits of the North American manufacturers and financiers to the possible lowest expression in their initial transactions.

The ambitions of the North American traders with regard to profits in their first commercial operations must not be placed too high but once they have acquired through liberality and square dealing a good foothold in South America, they will gradually extend their margin of profits and eventually build up, with time and patience, a regular output for their products, which will be in the future the source of high and deserved satisfaction to them.

Experience has told us that commerce and finance move on parallel lines. If British factories have succeeded in placing in Uruguay rail and railway material to the value of scores of millions of dollars it is only due to the fact that there have always been British capitalists at hand to finance those railways.

### BANKING NEEDS

Let American bankers also do their share in order to promote closer trade relations with our continent.

Uruguay buys abroad almost every manufactured goods which the United States produces—machinery, agricultural implements, hardware, glassware, haberdashery, woolen and cotton goods, dry goods, paper, etc., as well as such raw products or partly manufactured goods as lumber, coal, iron, steel, cement, oils, sugar, hams, etc.

Germany supplies yearly Uruguay with \$300,000 worth of cloth and clothing; \$400,000 worth of fencing wire; \$200,000 worth of hosiery; \$250,000 worth of coal; \$175,000 worth of printing paper; \$150,000 worth of tobacco; \$120,000 worth of haberdashery; \$100,000 worth of cement; \$80,000 worth of drugs; \$75,000 worth of galvanized roofing; \$65,000 worth of bottles; \$60,000 worth of pianos; \$50,000 worth of sheep dip, etc. Now that the foreign trade of Germany is practically at a standstill why should not the United States avail itself of this most extraordinary opportunity and ship the bulk of those goods and values to Uruguay? The trail to be followed has been distinctly shown to the American exporters

by their European competitors; let them adopt their methods, and possibly improve them, let them submit ungrudgingly to the necessary sacrifices involved in the capturing of new markets and they will most certainly get the expected results.

The three main export products of Uruguay are meat, raw wool and cattle hides.

The importation of Uruguayan meat during the first six months of the current year has been satisfactory. The volume imported has reached a value of \$3,000,000 and there is every reason to believe that as soon as transportation facilities have been improved and the world trade in this product normalized the United States will buy from Uruguay a minimum of \$10,000,000 worth of meats.

Uruguay has 26,000,000 sheep which yield from 140,000,000 to 160,000,000 pounds of wool yearly. Practically the whole production of Uruguay is exported, as there are no mills in the country which could manufacture the wool.

The present complication in Continental Europe will permit an important amount of the wool crop of Uruguay to be exported to the United States at convenient prices for American mills.

The extraordinary opportunity to acquire a good foothold in Uruguay, which is offered to-day to American importers of wool, should not be neglected. The best results will be obtained by sending responsible representatives to Montevideo. The time lost and the expenses incurred, will be easily offset by the great benefits derived from the trip.

Uruguay sells abroad about \$25,000,000 worth of raw wool every year. More than \$20,000,000 are bought by France, Belgium, Germany and Great Britain. The United States bought only \$2,000,000 worth of Uruguayan wool during the fiscal year 1913-14. At the same time Uruguay is a heavy buyer of woollen manufactured goods. If the American mills would acquire this year say \$10,000,000 of Uruguayan raw wool and turn it into finished products they have a good chance to sell again to Uruguay one-third or perhaps one-half of the transformed product. The same applies to cattle hides. Uruguay exports yearly around \$15,000,000 worth of hides and buys back an important amount of the manufactured product, converted into leather, boots, trunks, bags, etc.

JOSE RICHLING,  
Consul General at Large from  
Uruguay.

## Peru

PERU, in common with most countries but more especially those situated in South America, is experiencing the effects of the financial crisis, the result of the present war in Europe.

Before the declaration of this war, the commercial and banking situations were prosperous and secure. The notable shrinkage in the ordinary receipts, obtained principally from the customs duties on imports from European countries, has naturally affected the national finances.

The Peruvian Government has, however, taken adequate measures to

remedy as far as possible the difficult situation. A law was immediately passed prohibiting the exportation of gold and silver, which, added to the law creating a moratorium, prevented both metals from leaving the country.

In addition to these, another law was passed, authorizing the issue of bearer cheques by the banks, in values from \$1 (\$5) to the amount of \$2,500,000 gold, the issue being guaranteed by the banks themselves by a fund consisting of gold and mortgaged bonds. There have been, moreover, several shipments of gold and silver, to the amount, up to date, of \$300,000 gold, from this country, and more are to be sent for minting purposes. It will therefore be observed, that with the issue of the circular cheques and the coining of gold and silver, mentioned above, the stringent condition is bound to improve every day, so much so, that it is expected that the moratorium will shortly be removed. Indeed, I have been informed that this measure was to be cancelled on the 3rd of this month, but have no official confirmation on the subject: it had been prolonged from the 8th of September until the 8th of October.

But even with the solution of the currency problem, there will still remain two important points to be settled, and these are, the finding of new markets for the exportation of our products, and the substitution of the sources from which we have been accustomed to receive our manufactured articles, that is to say the imports from Great Britain, France, Belgium, Austria, and Germany.

The first of these could be attained by sending our products to North American markets, where they are already known, but the importation of which has been, up to the present, limited, and due to accidental causes, with the exception of copper, which is almost all taken by the United States.

### BANKING EXCHANGE

Although it is almost certain that in a relatively short time our products will be able to find an ever increasing market here, we have been confronted, so far (and this difficulty is still as far from solution as it has ever been) by the want of a North American agency of some bank in this country, which would facilitate commercial transactions and direct banking exchange with the United States.

Up to the present I do not know of any bank which has decided to establish an agency in Peru, notwithstanding the efforts of the undersigned in this direction, extending over a period of eight years, although the obvious benefits to American trade are very apparent and fully recognized, since without such an institution in Peru, the ultimate establishment, on a firm basis, of commercial relations with my country, can never be obtained. In Lima there are British, Italian and German banks, and it is at least curious that the United States, which has always appeared eager to acquire a portion of the South American trade, should be the only country which is not represented in our Republic.

The greatest difficulty is being experienced in obtaining an increase in the exportations to Peru, of articles manufactured here, which are already

known in our markets, and the obtaining of others from the United States, which used formerly to be bought in Europe.

### CREDIT NECESSARY

The system which has obtained so far with the American manufacturer is well-known, and has proved the bar to increasing our importation of American manufactured articles. I refer to the practice, which seems as immovable as the laws of the Meles and Persians, of obtaining cash payments in New York. Business cannot be done on this basis with Peru. European manufacturers have granted liberal terms of payment, and should these not be imitated by the factories here, only the most indispensable quantity will be ordered, to tide business over during the time required to re-establish connections with former dealers in Europe. It will be found that the risks and difficulties, or such as they now appear, of meeting the wishes of the Peruvian importer will not be greater than those experienced in dealing with North American houses.

The well-known organizations of Bradstreets and Dun have every means at their disposal for giving the rating of firms in Peru, and as for terms of payment for merchandise, it is usual to draw at sight, or short term drafts on the buyer, against shipping documents through some bank here which has a correspondent in Peru.

American manufacturers should get into closer contact with our merchants: travellers should be sent to Peru, equipped with a full line of samples which would show with what it was possible to supply our markets: and last, but by no means least important, manufacturers should take into consideration the wishes of their clients as to the kind of merchandise they require, how it should be packed, etc., and not oblige them to take goods manufactured especially for the needs of home consumption and imagine that this must also serve for any buyer in any part of the world.

### MORE AGENCIES

Another point which occurs to me is the want of North American banking and commission firms on the Pacific coast of South America; if I say that there are two such firms in Peru, I am not understating anything. Peru requires that North American firms establish agencies in Lima and the principal cities, so that a monopoly of the business of this country may not be created, for this would be detrimental to the interests of both nations. The North American manufacturer will have as many more chances of introducing his goods into Peru as there are agencies of North American houses established in Peruvian territory. It will be seen that should there be but a few, these, doing business with a limited number of manufacturers, will effectively prevent all such as have not made arrangements with them, or whom they do not wish to deal with for one reason or another, from entering the field. This is one of the great advantages which European countries have enjoyed, and has made the introduction of the different manufacturers from different

(Continued on page 11)



# Trust Legislation—A Resume of Chamber's Attitude

Trust Legislation has been the third great business before the present Congress. The National Chamber has followed this legislation in every phase. Now that the trust program is complete the Chamber's attitude is compared to the provisions of the new legislation

**L**EGISLATION directly affecting the conduct of American business was almost a year ago declared by the President to be the central subject for debate in the session of Congress which has now entered upon its eleventh month. Being organized to gather a consensus of business opinion which is nonsectarian, nonpartisan, and typically national the National Chamber arranged to have presented to its Annual Meeting in February last, every point of view, devoted a greater part of two days to discussion, and appointed a special committee to analyze the bills which at once, after the President addressed Congress in January, had been tentatively put forward, and to place its conclusions before the organizations in the membership of the Chamber.

Upon the reports of the committee two referendum votes were taken, resulting in a determination of the attitude of the Chamber,—that it, the actual preponderance of business opinion throughout the country,—upon each important principle. Every point decided by the membership of the Chamber was carefully presented and elaborated by the Chamber's committee at hearings arranged by the Committees of Congress which were formulating the legislation. If legislation has its atmosphere, as the President has said, the Chamber has in regard to this legislation, as earlier in regard to banking and currency, made use of its special ability to make it an atmosphere in which well-considered and representative business judgment is an important element.

In a summary way the attitude of the Chamber is here cast up with the legislation which has now been enacted.

## TRADE COMMISSION

A trade commission of a particular kind was advocated by the Chamber,—a commission of at least five members appointed by the President, confirmed by the Senate, and with not more than a majority belonging to the same political party. Exactly this sort of commission of five members has been created, although the House of Representatives in June voted for a commission of three. A membership of five gives opportunity for representation of diverse points of view and varied experience, including the experience of men of practical affairs.

## COMMISSION'S JURISDICTION

About the jurisdiction of the commission to make investigations there was some misunderstanding, and in fact some lack of certainty in the bill as it was originally made public. In many quarters it was supposed that the commission would have authority only over large corporations. The Chamber took the position that size could not be a criterion of lawfulness and that its jurisdiction should extend to all corporations engaged in interstate or foreign commerce, except, of course, those already subject to regulation under Federal legislation. In definite terms the law now states that the jurisdiction extends to all corporations and associations (except partnerships) organized to carry on business for their own profit or the profit of their members, and not now under

Federal control. Thus, the views of the Chamber have prevailed.

## ANNUAL REPORTS

A distinction among corporations based on size was urged by the Chamber if the law was to contain an inflexible requirement of annual reports. Reports from all corporations, large and small, would make a mass of material defying intelligent compilation and serving no useful purpose. Consequently, the Chamber asked that the requirement at the outset be made only of large corporations, and that the commission be authorized to designate other classes of corporations from which it desired reports. The law as enacted incorporates the view of the Chamber, and carries it further than the Chamber suggested; for it makes no fixed requirement of any kind and leaves in the hands of the commission the whole matter of reports,—from what classes of corporations they are to be asked, when they are to be made, whether periodical or occasional, and their contents.

## TRADE SECRETS

Against the commission having a right to require in annual reports disclosure of trade-processes, shop-costs, classification of sales or profits among particular articles, and names of customers, the Chamber protested. No corporation should be compelled as a matter of routine to place beyond its control the fundamental facts of its competitive existence. As the law now contains no sweeping requirement of annual reports, this objectionable kind of disclosure is not asked. Disclosure to the commission is contemplated by the law, however, if the commission sees fit to ask the information. Protection of information in the possession of the commission is extended by an express declaration that trade-secrets and names of customers are not to be divulged. There is a greater safeguard, too, for information about a corporation's intimate internal affairs for the law distinctly says that the commission may make public information only in the public interest. It will be noticed that the law gives at least the measure of protection for which the Chamber contended.

## ADVISORY POWERS

Over the question whether or not the commission should pass upon the legality of proposed combinations or contracts (perhaps relieving from criminal penalties persons who upon following a decision of the commission found themselves adjudged by the courts to be actually violating the law) occurred the only close decision of opinion among the membership of the Chamber. A majority of the members were adverse to such a power in the commission, at least at the beginning of its career; and in fact the law does not give the commission such a function. The multitude of applications, the inconclusiveness of advice and the questionable propriety of a governmental body giving advice at all, and other difficulties caused the Chamber to believe that in any event functions of this sort should not be conferred until the commission has acquired preparation through experience in other directions. There is nothing in the law, however, to prevent

the commission from doing a thing the Chamber suggested—calling the attention of corporations to illegalities which they may remedy without resort to the courts.

## OBSTACLES IN FOREIGN TRADE

In the export trade American business men, prevented by American law from making combinations among themselves, may find they have to contend with coalitions abroad which would be condemned by American law but which are authorized by foreign law. In order to prepare the way for removal of such inequalities the Chamber asked that the commission be directed to report upon the advisability of having the trust laws so changed as to allow cooperation among American business men in their commerce with foreign countries. This direction is given by the law. There is to be an investigation of trade conditions in foreign countries where associations, combinations, practices, or other conditions may affect the foreign trade of the United States.

As a matter of fact, some progress has already been made toward remedial legislation.

## BUSINESS PRACTICES

The Clayton bill originally singled out three business practices which it criminally penalized,—discriminations in price, "exclusive-agency" contracts, and choice of customers by persons selling the products of mines. Against this method of legislation by detailed definition the Chamber took a decided stand, contending that such attempts would hinder legitimate business rather than cure evils, and would produce all the embarrassments which accompany uncertainties about the application of statutory language to concrete cases. The Senate struck out all three definitions, and the bill as it becomes law omits the proposition regarding mine products. It contains the other two, but without criminal penalties and with the section concerning discrimination in prices in a much modified form.

## UNFAIR COMPETITION

The method now adopted for giving effect to the prohibitions in the two definitions of proscribed business practices accords with an important departure placed by the Senate in the bill for a trade commission. After notice to the persons against whom a complaint is made, and a hearing of explanations and defenses, the commission may prohibit methods of competition which it decides are unfair. For enforcement of its orders it may appeal to the courts. In the same way the commission is to deal with discrimination in prices and "exclusive-agency" contracts.

Legislation framed in terms of principle, the Chamber emphatically declared, is preferable to legislation by definition. From the latter form of legislation an endless succession of new legislative definitions and a baffling complexity of statutes inevitably result. The simple declaration that unfair methods of competition are illegal, and the creation of a procedure of administration by the commission, is an excellent example of legislation in terms of principle. This proposal came to the attention of the Chamber's committee but as it was not at the time active-

ly urged in Congress it was not directly submitted in referendum.

## INTERLOCKING OF DIRECTORS

Among competitive business corporations, in the judgment of the Chamber, there should not be interlocking of directors if elimination of competition among corporations would violate the Sherman Act. The Chamber wished a test of illegality which would unmistakably refer to existing public policy and existing law. Such a test appears in the prohibitions of the Clayton bill. It is true there is an added limitation which goes beyond the Chamber's recommendation, in that there is illegality only if one of the corporations has capital and surplus of \$1,000,000 or more. In the inflexible test of this limitation no account is taken of differences in the organization of industries. The Chamber opposed any limitation according to the size of corporations.

## RAILROADS AND INDUSTRIES

Interlocking between railroads and industrial businesses and interlocking between railroads and banks with which they deal the Chamber treated in rather different ways. As to a railroad and an industrial business the Chamber advocated a prohibition if business transactions were in substantial volume, but wished the prohibition to be inoperative if the Interstate Commerce Commission found any detriment resulting to the public interest from the connection. The law limits its prohibition to cases where there is a substantial volume of business,—more than \$50,000 a year. It also partially contains the second part of the Chamber's recommendation; for it makes the prohibition inoperative if the railroad in its dealings has, under regulation of the Interstate Commerce Commission, accepted the most favorable bid obtained in open competition.

## RAILROADS AND BANKS

Interlocking between a railroad and a bank, according to the law, is made illegal under the same circumstances as between a railroad and an industrial concern,—that is, if transactions aggregate more than \$50,000 a year and if dealings do not result from the acceptance of the most favorable bid received in an open competition conducted under the supervision of the Interstate Commerce Commission. This provision of the law substantially but not literally agrees with the Chamber's plan regarding the relation between railroads and banks. The Chamber proposed that there should be illegality in any particular case only if the Commission declared there was a detriment to the public interest. The form of the Chamber's proposal does not appear in the law but in large part the principle of administration by a commission has been accepted.

## AMONG BANKS

A prohibition of interlocking directors among banks has been enacted. There is illegality if either of the banks, wherever situated, has assets exceeding \$5,000,000. There is also illegality in interlocking between any two banks situated in the same city if the population at the last decennial census exceeded 200,000.

Interlocking of directors among banks is but one phase of the larger question of concentration of credit.

(Continued on page 14)

# Two Opinions on a Merchant Marine

Since the question of a Merchant Marine is one of the most important factors in our foreign trade problem, interest should attach to the two following suggestions. Mr. Baker in his article discusses the Alexander Shipping bill now before the House. Mr. Wanamaker suggests the use of Postal Savings reserves for the purchase of ships.

WITH regard to this Bill it is suggested that some very important amendments be offered for consideration. There has been so much objection, first to the United States Government engaging in commercial business, that the amendments are offered to remedy this. An amendment is offered to Section 8, giving the President authority to charter any vessels purchased or constructed under the Act to such corporations as are now in existence or may hereafter be organized, upon such terms and conditions as may be agreed upon by the Shipping Board with the approval of the President of the United States. This would do away entirely with the necessity of the United States engaging in the establishment of any steamship line which might come in competition with any individual enterprise. It would give, however, an opportunity to the United States Government to acquire a very valuable fleet under their own control, at all times, available for either the uses of the Navy or Army, as it provides that ships acquired either by purchase or construction should be of a type suitable for the requirements, as far as possible, of either the Navy or Army.

## CORPORATIONS SUGGESTED

It has been further suggested that the granting of such authority by Congress would be to establish lines of steamers from the various ports, particularly to South America and the Orient, by corporations organized in these ports, as a suggestion has been made that the amount of tonnage under this Act that would be chartered to any such corporation should be limited to a total valuation of five million dollars. Any such corporation must satisfy the Shipping Board of its ability to pay the charter money for such ships as were chartered to them to the extent of 20% of the value of the ships so chartered. The suggested rate of charter has been upon the basis of 8% upon the cost of the ships, 3% to pay the interest on such bonds as might be disposed of to acquire the ships, and 5% per annum depreciation or sinking fund to be paid to the Government. This 5% would provide every year for the maintenance of such a fleet as was acquired by the Government upon a permanent basis, or in other words, more than meet the bonds at maturity. In addition to this, the charterers and corporations chartering these ships must maintain a full and complete insurance on same to the satisfaction of the Government.

The advantages which would accrue under this Act would be the permanent establishment of lines from the smaller port cities of the United States to such foreign countries as would best develop our commerce.

## PURCHASE OF SHIPS

The question of the purchase of ships which might lead to international complications is one that may safely be left to the President of the United States, every one will admit, as no purchases certainly would be authorized by the President that might possibly bring any international question

into consideration. The present difficulty of acquiring capital for the purpose of building up our merchant marine, is very great, and so often it has been stated that such lines as the Government might establish, would meet with enormous loss in operation. In this way the Government would certainly be relieved of this obligation, and give the opportunities to both the citizens and commercial bodies of the smaller cities of developing their own ports in commerce to foreign countries, and assisting in this way the divisions of any losses which might occur. But there should be no loss if the business is properly and economically managed.

It is a remarkable condition that our own lake and coastwise commerce in American ships has been carried at a rate per ton per knot lower than the general commerce of any country of the world, and why the same conditions, if properly encouraged, could not be brought about in our own foreign commerce, is to my mind, a question that can only be solved by the establishment of such lines upon a sound business and economical basis, as the Americans are certainly capable of doing.

The whole suggested change simply brings about the following condition, that the United States Government is assisting in the establishment of steamship lines in our foreign commerce at a rate of interest which they are able to secure, while it is impossible for any organization to secure capital upon the same terms. That this is no unusual custom, a careful study should be made of what the British Government has done especially for the Cunard line, in providing them with capital by the issuing of bonds.

BERNARD N. BAKER

## Postal Savings Reserve for Ships

THIS is an opportune moment to get a Merchant Marine. See what we could do with these ships. We could be ready for commercial emergencies existing at this time when merchandise and works of art, already bought and for which our citizens are responsible, are lying helpless on foreign docks, exposed to the accidents of war. We could be common carriers of American-made goods to all parts of the world, and with the assistance of our consuls, open up new markets everywhere, especially in South America and the Far East, through the Panama Canal.

It seems almost incredible that this country, with almost a hundred millions of people, should have lived all these years without its own ships—sending our goods, our grain, our mails, our people, under other flags and enriching other nations.

## MERCHANT MARINE STARTED

Two dozen years ago two Philadelphians, one of them Clement A. Griscom, had most to do in preparing and passing the subsidy bill which gave the "City of New York" and the "City of Paris" (now "the Philadelphia") as a beginning of a merchant marine, conditioned upon the building of two

more ships, the "St. Paul" and the "St. Louis." After a score of years this is all we have to show for the work then begun.

Let us pray the Government to make new beginning with the quick operation of the New American registry bill, allowing foreign-built ships to register under the American flag for ocean traffic.

This is the time for action. What is fifty millions to the United States if it can create over night such a large part of a Merchant Marine needed in the face of the dawning new era?

## USE POSTAL SAVINGS

Where will the money come from to buy the ships on sale? Strange to say, the American people have already provided. It is in the small sums that have been deposited in the Postal Savings Banks, which amounted to the sum of forty millions when last reported, December 31, 1913, and ought to be twice as much now.

By the Act of Congress establishing the Postal Savings, the Postmaster General, Secretary of the Treasury and the Attorney General are trustees of the funds, with instructions to loan to solvent national or State banks in the localities where the deposits arise all but 30 per cent of the total deposits at an interest charge of 2½ per cent. This reserve of 30 per cent is directed to be invested in United States securities. It is therefore at hand.

A short amendment might easily be made to the Postal Savings act of June 23, 1910, directing and authorizing the Postmaster General to negotiate and purchase the ships and pay for them out of the 30 per cent reserve and creating the Postal Transportation Company, which shall issue bonds to the Secretary of the Treasury to the amount of the purchase money, bearing 2 per cent interest.

## GOVERNMENT AID

For half a century the foresight, enterprise and capital of the English, German and French people, assisted by their governments, for reasons good and sufficient to themselves, have monopolized the ocean highway traffic. So greatly were they encouraged by their success of recent years, that showing their value of our trade, foreign capitalists have entered into open rivalry to provide for mail transportation and passenger business of America by immense expenditures for great ships of speed and service, available also at the call of their respective governments.

If there is any international law against the United States becoming the owners of the idle ships in the Port of New York the sooner it is known the better, that other plans may go forward—the work of building great ships at Cramps', at the New York shipyards, at Camden, Newport News and San Francisco.

The fact remains, we must have ships of our own and soon, if American trade is to be set a-going rightly. If we had ships of our own this year we would not have been in the distress, confusion and perils of the past two months.

JOHN WANAMAKER

## Newspaper Profits and the War

THERE is perhaps, no popular misunderstanding more widespread than is found in the current belief that a great war or other important happening that causes an increased sale of newspapers is profitable to newspaper owners.

The simple fact is that the newspaper is probably a heavier financial sufferer in the business world through war than any save those whose property is physically destroyed by it.

On this side of the water the burden of the present European war is laid heaviest on newspaper publishers of all our business men. This is so because of facts that are very easy to understand.

The newspapers of large circulation in this country are almost without exception one cent newspapers. The white paper for these papers costs more than the wholesale selling price. There is a loss on every copy sold and the greater the excitement, the more "extras" issued, the greater the loss.

In ordinary times this loss is made up by advertising receipts. It is obvious however that nothing is received for the advertising in this additional and temporary circulation. The sad reverse of this is true. In all times of excitement advertising diminishes—there are individual exceptions of course, but they are sporadic and only prove the rule.

## INCREASED COST

The tale of woe of the newspapers has only begun however. The usual business concern when trade is bad, whether from war or whatever the cause of the depression may be, trims its sails for the storm, curtails the working force, reduces the output. War means to the newspaper on the contrary an immediate and tremendous increase to its cost of production.

Take the Associated Press for example. This is a cooperative and non-profit making organization of some 900 papers, the purpose of which is to facilitate the exchange of news between its members and the collection of original news for their joint benefit. In times of peace it maintains news bureaus in all the world centers of news and the cost of its operations runs annually to an enormous sum. The little flurry of the Spanish American war, however, cost the Associated Press \$275,000 in addition to its normal expenses.

## FUND NECESSARY

In preparation for the proverbial "rainy day"—which with the Associated Press is war—an emergency fund of \$400,000 had been accumulated. Since the latter part of July this has been eaten into at an appalling rate, for the Associated Press must expand its corps of correspondents at all news points from London to Tokio, must multiply its cable expenditures by five—or by ten if the censors graciously permit.

As with the Associated Press, so with all individual newspapers, large or small. The maintaining of editorial and mechanical forces during unusual hours to provide for the prompt publication of declarations of war and great battles alone amounts to a heavy burden.

These newspapers feel bound in the performance of their duty to their readers to do a large amount of original news gathering in addition to that done for them by the Associated Press or other news gathering organizations and the expense to them is simply staggering.

FRANK B. NOYES,  
President Associated Press.



## Recently Appointed Commercial Attaches

A. H. Baldwin was appointed Commercial Attaché by transfer from the position of Chief of the Bureau of Foreign and Domestic Commerce. He has had experience in many branches of the Government service since he received his first appointment in 1884



A. H. BALDWIN

Copyright Harris & Ewing

in the Bureau of Fisheries. He is from Connecticut; was a student at Yale for a year, later lived in Paris, France, from 1887 to 1889; and has been in executive positions in the Department of Commerce since 1909, first as Chief Clerk of the Bureau of the Census, then as Chief Clerk of the Department of Commerce and Labor, and, for the last four years, as Chief of the Bureau of Manufactures and the Bureau of Foreign and Domestic Commerce.

Mr. Baldwin was a Government representative at the Portland and Seattle Expositions; has engaged in special service for the Department of Agriculture, the Postoffice Department, and the Interior Department, and has traveled extensively in the United States, Alaska, Porto Rico, Hawaii, and in European countries. He speaks French, and is conversant with Spanish, German, and Italian.



C. W. A. VEDITZ

C. W. A. Veditz was appointed Commercial Attaché at Paris. He is from Pennsylvania, and a graduate of the University of Pennsylvania,

where he specialized at the Wharton School of Finance and Economics in subjects related to business. After some commercial experience in his native city of Philadelphia, and a short period of service as a newspaper man with the *Philadelphia Record*, for several years he carried on graduate study in economics and political science in Germany, France, Austria, Switzerland, and Italy. He was awarded the degree of Ph. D. "with great praise" by the University of Halle in 1895, and subsequently completed in Paris the work leading to a law degree from the university there.

For the Federal Government, he has carried on five economic investigations in Europe, relating to such subjects as child labor laws and their enforcement, foreign markets for harvesting machinery, wages and labor conditions in the textile industry, and costs of production of earthenware and china. He speaks French and German fluently.

Henry D. Baker was appointed Commercial Attaché at Petrograd, Russia, by transfer from the position of Consul at Bombay, India.

Mr. Baker is from Chicago. He graduated from Yale in 1896; engaged



HENRY D. BAKER

in newspaper work on the Chicago Tribune and the New York Evening Post; was connected with the Financial Times of London, and other papers; entered the consular service under examination in 1907 from Illinois, and has been Consul in Australia and the West Indies. He speaks German and French.

Prof. Lincoln Hutchinson has been appointed Commercial Attaché at Rio de Janeiro, Brazil. He has a degree of Ph. D. from the University of California, A. M., Harvard, also studied at Leipzig in 1901; is now Associate Professor of Commerce and a Dean in the University of California.

He has traveled widely in Europe, the Orient, Australasia, Alaska, Hawaii, and Latin America. He made a special study of trade conditions in Central and South American countries for the Department of Commerce and Labor in 1905 and 1906. Author of "The Panama Canal and International Trade Competition," now in press.

Dr. Albert Hale was appointed Commercial Attaché for Argentina. Has been on the staff of the Pan-American Union since 1908, and has traveled extensively in Latin-American countries. Has degree of B. A., University of Michigan, and M. D.,



DR. ALBERT HALE

Copyright Harris & Ewing

Northwestern University, and later studied in the University of Strassburg. After some experience in Mexico with the Mexican International Railroad, he studied at the University of Kiel (Holstein). Dr. Hale is the author of "The South Americans." He speaks German, Spanish, and Portuguese, and passed an excellent examination for the position to which he has been appointed. He is from Indiana, and has had very exceptional experience in relation to South American commercial development.

A. I. Harrington was appointed Commercial Attaché for Lima, Peru. He is from Ohio, a graduate of Yale 1904 with the degree of B. A., and has had commercial experience in railroad work in various parts of the United States. He was later an officer of the Philippine Constabulary, serving



A. I. HARRINGTON

Copyright Harris & Ewing

there four years. In 1910, he entered the foreign sales organization of the Standard Oil Company, being stationed in Java; was later appointed

traveling agent for the same company in the Dutch East Indies, including also portions of the Malay Peninsula, Siam, Borneo, etc. From this service he resigned in 1914 for the purpose of going to Latin America.

Verne L. R. Havens was appointed Commercial Attaché at Santiago, Chile. Attended public schools in Omaha and took course in railway engineering by mail and in civil engineering at the University of Nebraska. He is a member of the American Society of Civil Engineers; has had a great deal of experience in railway construction and other engineering work in the United States, Mexico, Cuba, and in Central and South America. In 1911 he made reports on railway projects for the President of Guatemala, in the preparation of which a thorough study of the commercial conditions of the country was required. Mr. Havens is engaged in preparing a course of instruction for Spanish engineering students. This work is in Spanish, with which he is thoroughly acquainted.

Julian H. Arnold was appointed Commercial Attaché for China by transfer from the position of Consul General at Hankow.



JULIAN H. ARNOLD

Mr. Arnold has done admirable work in trade promotion for many years, having entered the Consular Service in 1902. He speaks Chinese in its various dialects, and has traveled in all parts of the Republic on special commercial studies. Has been stationed at Dahn, Foochow, Shanghai, and Chefoo, and has a wide acquaintance in China among its leading citizens.

Erwin W. Thompson was appointed Commercial Attaché at Berlin. He is from North Carolina, has a degree in engineering from Cornell University; is a member of the American Society of Mechanical Engineers, a contributor to its transactions, and a prolific writer on technical subjects. He speaks German and French.

Mr. Thompson has technical training in engineering and chemistry, and his experience as a writer will enable him to keep American manufacturers and exporters fully informed, through the Department of Commerce, on all points of interest relating to the interchange of commerce between the United States and Germany.

# Newly Created Office of Commercial Attache

By A. H. Baldwin,

Commercial Attache at London, England.

The appointment of commercial attaches following the precedent of European governments marks a new and important departure by the United States Government in promoting the foreign trade of the nation. This was made possible through the efforts of Honorable William C. Redfield, Secretary of Commerce, seconded by the united business opinion of the country as expressed in Referendum No. 5 conducted by the Chamber of Commerce of the United States. Mr. Baldwin, who was for four years the Chief of the Bureau of Foreign and Domestic Commerce having just resigned to accept the appointment of commercial attache in London, was familiar with every detail of the plan for advancing foreign trade through commercial attaches and gave it his strong support. Among the first appointments, and to the post considered by many to be the most important, Mr. Baldwin is the best qualified man to present the plan to the business men of the United States.

In the formal phrases that are quoted in the following lines there is granted the authority for an extension of the trade promotion service of the Department of Commerce of very great importance, an extension that now places the United States for the first time on an equal footing with some of the other great exporting nations in such work. Congress, on July 15th last, upon the earnest recommendation of the Hon. William C. Redfield, granted an appropriation of \$100,000 for "Commercial Attaches," to be appointed by the Secretary of Commerce, after examination to be held under his direction to determine their competency, and to be accredited through the State Department, whose duties shall be to investigate and report upon such conditions in the manufacturing industries and trade of foreign countries as may be of interest to the United States, and for one clerk to each of said commercial attaches to be paid a salary not to exceed \$1,500 each; and for necessary traveling expenses, rent, purchase of reports, travel to and from the United States, and all other necessary expenses not included in the foregoing. Such commercial attaches shall serve directly under the Secretary of Commerce and shall report directly to him.

## COMMERCIAL AGENTS

The development of our export trade has for many years been aided by the Federal Government, through the activities of diplomatic and consular officers. The latter in particular, have been especially useful in this work, and the roster of our consuls today contains the names of hundreds of trained men who report accurately and promptly, as far as they find time for such service, on the current trade history of the districts in which they are stationed. Further, since the year 1905, the Department of Commerce has been served by a corps of traveling field representatives, entitled "Commercial Agents," who have investigated, and reported upon special markets of all kinds in foreign countries. The valuable services of such men as W. A. Graham Clark, Ralph M. Odell, Jr., Capt. Godfrey Carden, D. C. Alexander, Jr., Alexis Shriver and others with unusual knowledge of such branches of trade as cotton textiles, machinery and tools, canned goods and other products, are well known to the commercial public, and their intensive studies have covered practically the markets of the entire world. They have constituted a group of trade scouts, constantly changing the field of their operations, and their reports have aided American exporters in a hundred ways.

The excellence of the work of the representatives of the Department of State in the field of trade promotion abroad is everywhere admitted. Other nations in their commercial

journals often comment in approval of the alertness and intelligence of these agents of the United States. The consul, however, is a man of many and varied duties and can, in most consulates, devote a portion only of his efforts to commercial promotion. He is the representative abroad, through the department of foreign affairs, of every branch of the Federal Government. He guards the health of our people in connection with quarantine regulations, he answers queries about his district of every sort, affecting agriculture, commerce, industries and shipping. He settles the estates of deceased compatriots—sometimes he even officiates at marriage ceremonies. The list of his activities is too long to record here. This burden of multiplied duties usually makes it quite impracticable for the consul to act freely and unhampered by current demands when special commercial investigations are requested by the Department of Commerce, under the authority granted by law when that department was established in 1903.

Such special investigations are daily becoming more important to the trade interests of the nation. So, too, the "Commercial Agent" is not readily available for such studies, as he is constantly on the wing—often out of close touch with the department for weeks. Furthermore, he is usually a special observer of a definite kind of trade, rather than a student of general trade conditions and tendencies in the broadest sense.

## COMMERCIAL ATTACHES

The growing need of foreign agents immediately at the command of the Department of Commerce lies, in part, back of the record of the establishment of this new corps of "Commercial Attaches." Another factor which might be mentioned here is this: From time to time the suggestion has been made in Congress and elsewhere, that the consular service, in view of the commercial promotion work performed by that branch of the Department of State, should be transferred bodily to the control of Department of Commerce. Some have held that this would be a logical arrangement as the latter department is charged primarily with the duty of "fostering, promoting, and developing trade, at home and abroad." This plan has always seemed to many who are students of the service inadvisable. The idea is the result, perhaps, of an incomplete knowledge of the range of the duties of the consuls, duties, many of them, in close connection with the foreign relations of the United States and so properly under the direction of our department of foreign affairs, the Department of State. While in many posts there is much valuable commercial promotion work done, there are few where it constitutes the greater

portion of the work of the consulate. Whenever trade development service alone becomes of sufficient importance to the Department of Commerce, in any country or capital, to justify the employment of a trained resident commercial observer it has seemed far preferable that such an officer should be free from other duties such as hamper the consul, and that this trade expert should be in the closest relations with the commercial branch of the executive system. This representative should naturally be in such touch with our department of foreign affairs that he could not embarrass that branch by unwise action, and his work on its details should be so fully known to the diplomatic officers in order that such embarrassment could readily be prevented.

It is under such conditions and with the purposes clearly shown in what has preceded that the commercial attaches will begin their work for the manufacturers and exporters of the United States this year. The Department of Commerce will not be required to conduct a complicated officer service of several hundred officers, with activities touching every phase of our national life, as would be the case if the consuls were under its direction. Wherever the current record of trade matters in any locality is handled adequately now by the resident consular officer there is surely no need to interpose another agent. Only when more is required than can be furnished by the existing facilities is there need of a special representative of the commercial branch of the government in Washington. A corps of fifteen or twenty such representatives would probably care for the development of our export trade until it assumes very much larger proportions than now.

## INITIATION OF PLANS

This plan for the extension of the facilities of the Bureau of Foreign and Domestic Commerce was first made public by Secretary Redfield at a meeting of the National Cotton Textile Manufacturers Association in the Spring of 1913, where he outlined the possibilities of such a service and asked for an expression of opinion from trade interests. It received at once hearty approval, in the press, and from commercial organizations and trade representatives generally. In the estimates of the Department for the fiscal year 1915 a request was made for \$150,000 to provide for stationing commercial attaches in fourteen world capitals, centers of commerce in Europe, Asia, South America, Africa and Australia. Approval of the plan, and, as before stated, an appropriation of \$100,000 were given by Congress, after considerable discussion of various phases of the matter. The relations of the new service to the Department of State and the question of the method to be followed in making appointments of the attaches elicited

special comment. There was indicated a fear that there would result friction between branches of the service and duplication of the work of consuls. It was argued by some that appointments should be made after an open competitive examination, such as is usually held by the Civil Service Commission in filling routine positions.

## EXAMINATIONS

As the appropriation was finally authorized the Secretary of Commerce was charged with the duty of directing the examination of candidates, and he promptly approved a plan under which, through the cordial cooperation of the Civil Service Commission, those who seemed to possess the required training and the qualifications sought for were invited to present themselves in the various district centers where the Commission maintains examining boards, and undergo a written test, for which a rating of 50% in 100 was fixed.

This written examination involved the preparation of the candidate of several theses on subjects closely related to the work which is expected of the commercial attache when at his post. Methods of developing export trade, the difficulties of this commerce, banking conditions, the political history of foreign countries and similar subjects constituted a test of the range of the candidate's information and his readiness and originality of thought. He was also asked to write 500 words in French, German or Spanish.

Such of those who passed the written examination above the grade of 70%, and whose general record of education and experience seemed to justify further consideration for appointment, were then invited to appear before a committee composed of officers of the Bureau of Foreign and Domestic Commerce, the Civil Service Commission, and the Department of State. Under an oral examination in which the ability of the candidate to speak readily one of the foreign languages required was tested, his personality and other similar qualifications were rated, to form the remaining possible 50% of his marking.

As a result of this method of selection, six commercial attaches have already been appointed. Two consular officers, long in that service, with admirable records in trade promotion work, have been appointed by transfer from the Department of State, and one selection was made by similar transfer in the Department of Commerce.

It will be seen that there is under this plan of appointment an adequate record of the qualifications of each commercial attache on file in the department. While such a corps must, in the nature of things, be to some extent experimental, there can rest no doubt of the sincerity of the effort that has been made to obtain men for these posts, who have had the proper training, and who may reasonably be expected to render excellent service as



## Commercial Attaches

(Continued)

representatives of our commerce, in foreign countries.

### CONSULS UNAFFECTED

The possibility that the new service would be in part misunderstood, was fully realized by the department, and every effort possible was made to forestall and remove unfounded misapprehensions. It was natural, for example, that there should be a fear that these new officers might in their work affect adversely the service now performed so well by consuls. The consuls themselves might look with some doubt upon the possible restriction of their own opportunity for useful service in trade promotion, and fear for their records in efficiency in such work. Such regulations for the control of commercial attaches, under cordial agreement between the Department of State and the Department of Commerce, have been adopted as will prevent any reduction of the consul's field of service, and also effectively prevent any wasteful duplication.

Further it was hoped that consuls might be tempted to enter these positions. In view of the fact that acceptance of one of the posts by a consular officer would mean a transfer from a long established and well protected corps to a new and untried one, subject to annual appropriations which might not be assured, it was important that some protection should be given to those whose interest in commercial work might induce them to ask for transfer. This was secured by an Executive Order by President Wilson making those consuls who become attaches eligible to restoration in the Consular Service, without prejudice, whenever that should seem advisable.

Thus the most cordial cooperation seems to be assured between the departments concerned in foreign service and the widest opportunity for every Federal representative seems fully safeguarded. There is ample chance for all concerned and the strengthening of the government system of foreign trade expansion should be felt on both sides, in reciprocally helpful action.

### LATIN-AMERICA

In the distribution of posts at this time it has seemed advisable to station at least four men in Latin America, where the opportunity for trade development interests the manufacturers and exporters very greatly under the unusual conditions brought on by the war in Europe. The cities selected are Rio de Janeiro, Brazil; Buenos Aires, Argentina (and Uruguay and Paraguay); Santiago, Chile, and Lima, Peru (Bolivia and Ecuador). All the men chosen for these posts speak Spanish fluently; three of them know Latin American countries from frequent journeys there, and all have had the sort of training calculated to make them especially valuable to American commerce in the districts to which they are assigned.

The post in China is to be held by a consul who has spent years in the Orient and who speaks the language of the country. He has rendered valuable commercial service for a long time. In Petrograd another consul will guard our trade interests. The men assigned to London, Paris, and Berlin have all had much experience in the sort of work that is to be required of them in those capitals.

The reports of commercial attaches, in general, will be supplemental to the reports now sent in by consuls and commercial agents.

(Continued in column four)

## Effect of War on Various Lines of American Business

By A. W. Douglas

Chairman, Committee on Statistics and Standards

THE effect of the European war upon business in this country can be summarized in the statement that it depends upon the nature and function of the business in question. For instance, Europe takes about one-half of the copper that we mine, and consequently with our best market gone, the mines are closing down, and all copper and brass industries feel the severe depression. Contrarywise the zinc miners are looking forward to better times because the principal smelters of Europe are practically out of the running, and the smelter industries expect to be very busy.

Importations of German cutlery, which were quite large, are entirely cut off, and the pocket knife, scissors, and razor makers of this country are correspondingly cheerful. The phosphate mines of Florida are shut down because a large proportion of the product goes abroad, and the mountaineers of Tennessee have quit getting out "cedar sticks" because the German makers of pencils have no need for them at present.

On the other hand the sugar cane growers of Louisiana are not as gloomy about the situation as they were some months ago, for nearly one-half of the sugar supply of the world comes from the countries now at war, and sugar will probably be much higher next spring, especially if the war continues. Opposite instances, such as these, can be multiplied indefinitely. The only generalization possible is that the grain raising sections of the country will be the most benefited by the war, while the cotton belt will suffer the greatest.

The European harvests, and those of India, Australia, and the Argentine are below the normal, and this is true likewise of Canada. There goes on meanwhile the tremendous waste and destruction of war, and the problem arises as to where will all the necessary labor be found to till the soil, and plant the crops should the present conflict continue much longer.

Meanwhile the acreage in our country plowed and planted for winter wheat exceeds all former records, and a like result may be expected next spring in all other grains. Exports of grains continue in enormous volume, and at high prices, and the farmer can scarce fail to reap a benefit, temporary though it will probably be, from all these abnormal but favoring circumstances. South of Mason and Dixon's line the situation presents a different aspect, and the most forbidding one of an already complex and unprecedented situation. Cotton is, and always will be, the great staple of the South. Likewise it is the great money crop, not only of the South, but of the country. It is the backbone of our exports, and of our favorable trade balance. It is the one great conservator of our gold supply, since it represents from four to five hundred million dollars annual sales abroad. Between fifty-five and sixty per cent finds a market abroad, and of this amount England, Germany, and France together take about two-thirds.

We are, therefore, suddenly confronted with the problem of finding a market for the greater part of what now promises to be the second largest crop on record. It is obvious enough that the task is an impossible one, for the simple reason that the market is

not there, and that the next thing is to tide over the difficulty and find some way of carrying the surplus till it can be absorbed in a natural way in the due course of time. There is no parallel for the situation in the past, nor in a comparison with any other staple crop raised in this country. All the other staple crops are food for either man or beast, or both, and there is always some market for them, even under the most adverse circumstances. Besides, most of them are consumed to a greater or lesser extent on the farms. Tobacco, a secondary crop and of comparatively minor importance, offers the nearest analogy to cotton.

The farmer can do nothing else with cotton but sell it, and in many sections of the South, not to have a market for his cotton, means that he is practically without any source of revenue for ready money. Only a clear comprehension of this fact can give an adequate idea of the desperate plight of the South and dispel that superficial criticism which fails to realize the true situation. For a number of years the South, owing to the invasion of the Boll Weevil, and the teachings of the State Agricultural Colleges, and the Federal Department, has been steadily though slowly diversifying her crops, until she now raises great quantities of grain, especially corn, and more fruit and garden truck than any other section of the Union. Yet the grain is still not enough for her own consumption, nor for the raising of all the live stock that she needs. With all this increase in these necessities, has gone along greater areas and greater crops of cotton.

So looking to the future, the true solution of the cotton problem of the South, after the present war effects have passed away, is not as is often vainly imagined, the planting of less cotton, but more foodstuffs, and the raising of more hogs and cattle, along with more cotton. The present emergency is one that may never occur again, but is, must inevitably have a far reaching and permanent effect, in making the South more of a grain and cattle country than ever before.

How business will be further affected in the South, and in all the country that does business with the South, will depend largely upon the solution of the cotton question, and likewise upon the planting next spring of a greatly decreased acreage of cotton. Time must be given for the future to adjust itself to an unduly large visible supply before a normal situation can return. The story will be different, however, with the cotton mills of the country, and this war should lay the foundation for their permanent extension and increase in capacity, and likewise for our decreasing dependence upon the cotton mills of Europe to take our surplus raw cotton.

In the long run the business of exporting manufacturers should be the greatest and most permanent gainers by the conflict abroad. We unquestionably have periods of doubt, disappointment, and uncertainty ahead of us, and such advantages as we gain will not be easily nor quickly won, but looking at it soberly and impartially, there seems ahead of us a slowly but steadily increasing importance and extension in the manufacturing and financial branches of our commercial life.

## Consul George R. Silliman's Views on Mexican Trade

WHEN Consul Silliman was in Washington for several days to report to President Wilson on the results of his special mission to Mexico, he visited the National Headquarters of the Chamber of Commerce of the United States. During his visit, in discussing the existence of a handicap to American business houses operating in Mexico, he said:

"Owing to the consequences of the revolution which has been devastating Mexico for the past four years, I would not encourage American business men to expect anything in the way of immediate results from business in that country. It might not be amiss for houses of large business note to send representatives to Mexico to become acquainted with establishments, which undoubtedly will weather the disasters, which are a great affliction to the country, so that when opportunity offers for the resumption of trade some preliminary work will have been accomplished. I feel quite sure that there is not now, and never has been any unfriendliness or antipathy to American business men by Mexican buyers.

"All things being equal, it is my opinion, on the contrary, that American exporters would be given preference by Mexican buyers. This is on account of the time consumed in communication with England and continents of Europe, both in correspondence and transportation. I can see no reason whatever why American business should not largely exist in the future when conditions are normal again, in the proportion it has already assumed in the past. It is my opinion, after a long residence in Mexico, and being familiar with business conditions, and acquainted with many business men in that country, that the same methods used in Mexican houses are used by business houses in the United States, in the contention of their business, and will positively give the same results. Of course, this implies the establishment of personal relationship. This can be done only through the medium of representatives who understand the language of the country, and who are qualified in every way to present the line in which they wish to interest the Mexican buyer."

When asked what effect the European war would have on increasing our business relations with Mexico, Mr. Silliman replied:

"On account of conditions in Mexico, they are in no position to take advantage of the exceptional opportunity offered by the interruption of commerce with Europe. If Mexico were normal, it would be a fine opportunity for American exporters. If conditions were favorable in that country, now would be the very time to increase that proportion."

(Continued from column one)

The freedom of the attaché from duties connected with petty matters, his opportunity to travel at will in his district his chance to establish connections in every direction, it is thought, will give him special value in the work of expanding and protecting our foreign trade. His headquarters will be equipped with books and records, indexes, references to sources of trade information, and similar facilities, and through the home office he will be kept currently advised on commercial conditions in the United States.



# Urgent Need for Uniform Control of Fire Waste

By Powell Evans,

Chairman Committee on Fire Waste of the National Chamber.

[The 1913 Report of the Fire Waste Committee of the Chamber was not printed as a separate document but is contained in the Official Record of the First American National Fire Prevention Convention. — Editor]

**T**HE fire waste is continuing throughout the United States at a rate approximating the average of recent years, after including the late Salem conflagration. The pity is that the destruction in life and property is not decreasing. It seems exceedingly difficult to bring home to the average citizen, individually or grouped in various activities, the true perspective of this problem which could so easily be corrected and which is costing the nation and every individual in it so tremendously day by day—amounting all told in round figures to one million dollars per day.

The following axioms should be taken to heart:

1. Fire destruction is always a local happening, in some definite property, at some definite place. It is a strictly local thing in its inception, and (excluding forest fires) cannot physically extend beyond any one urban community.

2. The sum of fire waste is a strictly national problem and its influence cannot be localized, because the insurance indemnity which pays for it is a nation-wide average, which can only be minutely modified by the average of any one community no matter how good.

3. (a) The average citizen builds without due regard for fire hazard, buys insurance and forgets about this danger, leaving it in the hands of the insurance companies.

(b) The average local community (city, town, etc.), contents itself with a certain amount of public protection, such as water mains, fire houses, etc.; but exercises an unduly slight influence on the danger through enforcing adequate building laws (covering the physical construction, protection and equipment of property), and housekeeping laws to assure that the living in property is conducted in a cleanly and orderly manner.

(c) The average State, while now taking greater interest in this problem through the adoption and enforcement of fire marshal laws, does not duly control the danger by the enforcement of minimum building and housekeeping laws applied all over the State to at least a certain level of requirement.

(d) The nation through the Federal Government cannot in any way directly participate in the regulation of this waste except through the regulation of insurance itself, which the Supreme Court has so far denied; but it could make an adequate study of the subject and help to educate and inspire its people about learning the facts and efficiently acting upon them.

## LEGISLATION NECESSARY

The bulk of fire waste throughout the country occurs in the cities. How can this condition be practically bettered with adequate speed? The bulk of insurance on such properties makes no demand on the owner to better the property, but merely investigates it and charges sufficiently high a rate to average at least twice the fire loss on such properties in the aggregate. Hence the insurance companies, agents and brokers in the aggregate cannot be counted upon as an active and militant influence to depress the

value of their own wares. Fire insurance is one of the few things that sell itself, due to the economic necessities of the case. The cost of competition in this business arises from the effort to secure the largest share of the choicest part of the business going—not necessarily to enlarge the bulk of the business itself. When the property owner has bought his policy he looks upon that end of his business troubles as finished, and forgets the fire hazard until a fire occurs; when his interest appears to be to collect his policy and begin again. This is the real situation with respect to the bulk of city property. It is therefore incumbent upon the city governments in the aggregate to impose minimum requirements on the construction, protection, equipment, occupancy, and management of property to assure that in these respects it is reasonably safe for life and property from fire. As a matter of fact the bulk of American cities have not yet been induced to act intelligently and comprehensively along this line. It therefore becomes the duty of the State to impose upon its respective cities in turn minimum requirements in this respect through State legislation, properly enforced.

The Philadelphia National Fire Prevention Convention, October, 1913, brought together the very best and most complete expert opinion on all these points ever heretofore gathered on this subject, and the legislation and practices advocated at that time could constitute the basis of the best reform in this matter.

It is hopeless to look for correction, of the fire hazard, evil all over the country by controlling new construction alone; it is necessary to safeguard the tremendous bulk of existing property. How can this be done practically? First of all, our citizens, officials and our legislators should realize that a reasonable correction of known existing abuses, even if costing money, is not confiscatory. Existing city properties on the average should be improved with respect to fire danger. That is the short cut to bettering conditions at once; to reasonably improve existing property.

## UNIFORM SURVEY

In the 1914 Fire Waste Report of the Committee of the Chamber of Commerce of the United States, the facts were cited in detail with respect to a recent court requirement imposed on Insurance Companies in the State of Pennsylvania, whereby every rating of a property within the State made in detail by these companies as a basis for a fire insurance rate must be advised direct to the owner in the same details, noting the defects of the structure and the reduction in the rate for improvement of the property eliminating or modifying these defects. If every State in the Union would first of all adopt a uniform survey and rating blank which they would impose upon the Insurance Companies for the same reasons that uniform negotiable instruments and bills of lading are now required, then there would be a uniform basis for collecting the fire hazard data on individual properties so that the citizen would become familiar with and understand the

facts. If then the several States would enact a law paralleling the present Pennsylvania Court ruling on the subject requiring the Insurance Companies in the aggregate to inform citizens in the aggregate of these details of property deficiencies and the allowance for correcting the same, the individual would get home to the facts in the case all over the country, and know how to correct them; and the Insurance Companies should be required by law to give adequate credits for all such improvements.

If, finally, the local communities (cities, towns, etc.) all over the country would adopt suitable ordinances and regulations requiring the citizens to do a minimum of all this improvement—say spend a dollar at any time which can be recovered, by reduction in rate, within five years, or make a 20% investment—by improving the building construction, protection and equipment of existing properties, there would be a prompt betterment physically of property all over the country in these congested centers to fight the common physical danger of fire destruction. If in addition to this physical improvement the police power all over the city and State would adopt a uniform practice of inspection of property periodically and continuously through the active fire fighting force, or equivalent, to see that cleanliness and order were constantly followed in living in properties throughout the country, this great fire waste from disorder and dirty living, which has accounted for about half of this loss in life and property throughout the country for years, could further be eliminated.

In conclusion, emphasis should be placed upon the fact that

X. The nature of this fire-waste problem

Y. The influences surrounding this problem, and

Z. The practical methods to correct—

are all too known and understood, and merely need concerted action by all parties having influence in the matter to promptly eradicate a large proportion of existing American fire waste of life and property, which carries with it a proportionate reduction in the interruption of business, loss of health, etc.

## SUGGESTED PRECAUTIONS

The individual can do good service in both his own interest and that of his community in this matter by first caring for the fire hazard of his own property and then helping in any general local movement to care for his community hazard. Adequate care for both of these involves the following six cardinal considerations:

**EXPOSURE HAZARDS:**—This danger from surrounding property is a heavy charge in ever average city insurance survey and rate, amounting often to one-third of the whole charge. Each citizen should study his location and his exposure hazard thereon and the reasonable means of bettering his own

property (such as fireproofing doors and windows and outside walls, extending fire walls above the roof, non-combustible roofs, etc.), so as to minimize this physical exposure hazard and consequent insurance rate,

**CONSTRUCTION:**—A large part of the insurance survey and rate is always based on deficiencies in physical construction of a property. This should be studied (unprotected vertical and horizontal openings, two large areas multiplied by fire walls, concealed spaces, etc.) and knowledge gained as to how they may reasonably be remedied, and how such improvements will reduce the insurance rate.

**PROTECTION:**—The best located and constructed property in the world without adequate fire alarm and extinguishing facilities on the average ultimately suffers undue fire waste, either in buildings or contents or both. A cast iron stove won't burn, but it is burning up contents constantly. The deficiencies of a property in this respect should be studied as items in the insurance survey and rate, and bettered (by installing metal waste and ash cans, fire buckets, chemical extinguishers, automatic sprinkler or stand-pipe, etc.), and the investment may be found highly profitable in the reduced hazard and rate.

**OCCUPANCY:**—Every business has inherent in it certain dangerous fire hazard characteristics. Each individual should study the nature of his business and properly care for and isolate materials or processes which may unduly occasion or accelerate fires. Such action properly taken should certainly reflect itself in a reduced insurance rate.

**EQUIPMENT:**—Virtually all property must be heated, lighted and ventilated these days, and all this equipment, in addition to special apparatus required by almost every business, has fire hazard. The citizen should study the character of his equipment before purchasing, and better that which he now has—all of which should reflect reduction in his insurance rate.

**MANAGEMENT:**—It is of the utmost importance that a property should be kept clean. Half of all American fire waste comes from careless accumulation of dirt and rubbish, and disorder. The people occupying a building should be taught cleanliness and order, and organized to detect and extinguish fire, and how to call the public fire department quickly when necessity requires.

Each individual can apply in his factory, warehouse or home the above correctives, which constitute the essentials of fire prevention. He can also join any other good movement in community action to carry out the above program and to study and get prepared and enforce reasonable legal regulations whereby such correctives may be demanded in the law, and finally can back up the public officials in seeing that they are applied. Insurance will be reduced and the community cost in time will become lower in life, health and property loss.

The National Fire Protection Association (87 Milk St., Boston), will advise anyone upon request how to organize a local chapter in their Association to accomplish the above aims.

The above, is intended merely as a brief summary of the situation, telling where full and accurate information can be secured, and how this can be applied in practice—individually and in organizations.

# Opinion on the Pending Oldfield Patent Bill

By James G. Cutler, Rochester, N. Y.

Considering the report rendered August 12, 1914, by Mr. Oldfield, Chairman of the Committee on Patents of the House of Representatives, which accompanied the bill for the revision of the Patent Laws known as H. R. 15980, one is impressed in the first instance by the fact that substantially all of the arguments advanced in favor of the bill are based upon what the committee or, at any rate, the chairman thereof, conceives to be evils incident to the administration of the present laws, but which do not as a matter of fact exist.

## CHANGES PROPOSED

There are three fundamental changes which he desires to make: first, that the patents for invention shall be limited in term to nineteen years from date of filing of the application, deducting the time which may be required by the actions of the Patent Office or of the courts. The only objection to this is, that the term of the patents when granted, is uncertain. Some of the evils which he refers to, as for instance, the long pendency of applications in the Patent Office, are real and should be remedied, but this might be taken care of in other ways than as proposed in the bill.

The second objectionable provision is the elimination of an action for infringement of a patent, as a remedy for a violation of a provision in a license whereby the use and sale of a patented article is controlled by the patentee and relegating the patentee to an action for violation of contract and consequently to the necessity of a suit in the State courts rather than an action in the Federal courts for infringement. The reasons advanced for this provision are substantially those contained in the dissenting opinion in the case of *Dick vs. Henry*. It is hardly necessary to discuss the legal phases of this as the decisions of the Supreme Court, which constitute the law of the land, have held that one who directly or indirectly violates the terms upon which he was permitted to use a patented article or who being in possession of a patented machine uses it in a manner for which the patentee had not waived his monopoly granted by the patent, cannot claim any immunity from suit for infringement, but stands on the same basis as any other infringer who uses it without claim of right.

## PRESENT LAW INTERPRETED

It has already been held by the Supreme Court in the *Sanatogen* case that if the patentee parts with the complete title to the article by a sale, he cannot control the resale price of that article by a notice attached to it. It would seem therefore that the present law as administered is sufficient to take care of some of the evils referred to by the Chairman of the Committee and that an attempt by the amendment of the law to make lawful the violation of lawful restrictions falling within the monopoly granted by the patent, was equivalent to robbing the patentee or unduly restricting the exclusive right of use granted by the patent. If the patentee possesses the exclusive right to make, use and sell his invention, it seems clear that he can waive any portion of these rights in favor of a person and still retain the remainder. That is to say, it is, under the present law, lawful for him to say "you may use my patented machine for driving the nails supplied by me, but not

others." Manifestly, if the user drives other nails with the machine, he cannot claim that the patentee has granted him permission to do this, and such wrongful user must therefore invade a portion of the right granted by the patent and by the present bill he can only be enjoined or held to account on the absurd theory that he has violated an implied contract or agreement not to use the machine except in the manner prescribed by the patentee when he came into possession of it.

## REMEDY INADEQUATE

It is difficult to see what the measure of relief granted to the patentee would be, in the event that he succeeded in his action under this "implied" contract. The court might hold, if the plaintiff were successful that he had violated a contract, but certainly would not grant an injunction preventing him from doing it again, and it would seem to be a difficult matter for the patentee to prove that the violation of a contract, which the user could truthfully claim never existed, had damaged him to the same extent as if the machine had been used with nails of other manufacturers than himself. Under any circumstances, such a remedy as is contemplated by the Chairman of the Committee on Patents would be entirely inadequate. On the other hand as at present, the failure of the user of the machine to operate it in the manner he was licensed to do, puts him in the same position as one who had never had any license and leaves the patentee to the same remedies against him that he would have against any other infringer of his rights.

The third objectionable section of the bill dealing with the alleged "shelving" of patents and providing for the grant of compulsory license in case a patented invention is not used and the owner of the patent is manufacturing a competing article, is based upon a misconception of the reason for the grant of patents for invention.

The Chairman of the Committee on Patents seems to have the idea that the provision of the Constitution that patents are granted to promote the progress of science and the useful arts, means that this progress is to be accomplished during the life of the patent, by putting the invention into use and giving the public the benefit of it during the term of the grant, whether the patentee or his successors in title wish to do so or not. But this is absolutely a wrong conception of the foundation of the grant.

## PURPOSE OF LAW

The real reason for the grant of a patent is the condition that if the inventor will place on the public records a full, clear and exact description of his invention he may have the exclusive right to make, use and sell it for seventeen years and no longer, so that at the end of this period the public may have the full benefit of it. To make the grant conditional upon his or his assigns putting the device in practical use or penalizing him for putting another similar device into practical use, is absolutely contrary to the spirit of the law as it has been construed for over one hundred years.

The actual and deliberate "shelving" of patents does not exist and the reference in the report again to the dissenting opinions of different judges does not appear convincing in support of the Chairman's arguments. In those cases it appears that the complainant held

two or more patents on machines for accomplishing practically the same purpose. The patents had been granted and purported to give to the patentee and their assigns the exclusive right to make, use and sell the invention for seventeen years. The complainants believing that it was not wise, feasible or economical to manufacture both machines, made only one of them and the defendants made the other which was not of their invention and then attempted to justify themselves by stating that the patentee had deliberately suppressed the one they, the defendants, desired to manufacture under, and the present House Committee on Patents seems to think that the defendant was perfectly justified in violating the right of a previous patentee, because the defendant could not manufacture or would not manufacture the form of machine which the complainant had placed on the market. A majority of the Supreme Court and a majority of the court of appeals properly held that the grant of the exclusive right having been made by the Government, the patentee and his successors could manufacture or not, as they chose.

## PROVISION NOT JUST

The practical objection to this provision of the bill is this: It is a well known fact that very few complete machines are made and patented at first, in such form that they can at once go upon the market and command any success. All perfected machines are the results of considerable experimenting and often the first productions are failures from one cause or another.

The path of a successful inventor is strewn with patents for devices which may or may not contain some parts of the machines which are finally placed upon the market. All of them have been invented by him and he has placed upon the public records descriptions so full and clear that the public may make them after the expiration of the term of the patent. In other words, he has fulfilled all the conditions required to obtain the exclusive rights to these children of his brain and merely because he has subsequently produced something better or cheaper or more economical to manufacture, the proposed law contemplates that anyone could have the right to use his inventions in consideration of a license fee determined by a judge who cannot know all the facts even at the end of an expensive lawsuit. In other words, under the proposed bill, the earlier productions of an inventor or his assignee may furnish the competition and he therefore becomes his own competitor and anyone who desires to use his earlier device which although patented to him is not in use, may obtain the right to do so upon application to a court. But, Mr. Oldfield says, "this provision of compulsory licenses does not apply to an inventor himself, but only to a corporation to which he may have assigned his inventions." Why make this distinction? It is a well known fact that under present industrial conditions comparatively few individuals have the capital or the ability to manufacture and sell their products themselves. Every inventor forms a company as soon as he is able to do so in order to obtain sufficient aggregated capital to properly exploit his invention. The number of individual inventors doing any considerable amount of business in

the way of manufacturing in this country, can be counted on the fingers of one hand and yet Mr. Oldfield would formulate a rule which applies to one who has associated others with him in the business and a different rule for the non-existent individual inventor and manufacturer. As a matter of fact, nearly all manufacturing concerns have a corps of inventors at work perfecting their products. These people are paid large salaries and often times bonuses and the product of their brains is transferred to the company. Many of these devices are, for obvious reasons, unmarketable in the form in which they are produced and it is difficult to see by what process of reasoning a patented invention for which the company may have spent thousands of dollars should be used against it, and yet this is precisely what is contemplated by the present bill.

## PUBLICITY HELPFUL

It is a fact that the mere examination by persons of an inventive turn of mind, of patents for devices which are not of themselves practical, does offer suggestions sufficient to enable such persons to invent and perfect practical devices for the same or analogous purposes, and this is one of the reasons why patents are useful and serve a great purpose in stimulating inventions, when the description and drawings illustrating them are placed on the public record by the grant of a patent, even though the particular device of the patent never comes into public use. A mere suggestion derived from a patent in one art will frequently suggest to the observant mechanic the application of that device or some modification of it to an entirely different art or mechanism and therefore the more patents we have upon our public records illustrating every possible conception that inventors may have patented, is valuable and in the end ensures to the benefit of the public and truly promotes the progress of science and the useful arts whether or not the public secures the benefits thereof during the life of the grant.

There is nothing advanced in the report which is convincing to anyone conversant with the facts and, as above stated, the enactment of the provisions thereof into law will clearly not fall within the provision of the Constitution and promote the progress of science and the useful arts by putting on record everything which a man conceives, but on the contrary, will tend to have every inventor and the inventive employee of every corporation conceal from the public all of his inventions until he has produced something which in his judgment and that of his backers, is worthy of being placed upon the market.

## SHOULD OPPOSE MEASURE

Every one interested in the maintenance of the position of the United States in the inventive world, should oppose by all means in his power, the passage of this measure, and should promote in every possible way the action recommended at the last annual meeting of the Chamber of Commerce of the United States; that is, the appointment of an expert commission for the study and rational consideration of our patent system and the practice under it before any legislation of this kind be undertaken in order that if amendments be made or new laws enacted they may not be disastrous alike to inventor, wage earner, employer, and the general public.



## South American Trade

(Continued)

sources into the same country possible.

To sum up, we urgently require the establishment of a North American bank in Peru, which will facilitate direct transactions with the United States; we also require the opening of agencies in Peru of North American firms, so as to manage the sale of North American goods, and finally, the working of our mining and agricultural industries by American capital.

Peru is anxious to buy more from the United States, but also requires that this country buy our products such as cotton, of the rough, Egyptian, and other varieties; our sugar, petroleum, rubber, wool, hides, rice, maize, cocaine, coffee, lead, etc.

The best goods to send to Peru are cotton and woolen stuffs, chemical products, hardware and machinery, glass and china, notions, coal, etc.

EDUARDO HIGGINSON,  
Consul General from Peru.

## Bolivia

BOLIVIA, as well as all countries in the world, has been affected by the European war, in the depression, for the moment, of her economical situation.

It is time to remind how inaccurately often it is determined under a common denomination—South America—all the nationalities South of Panama, since each has its own peculiar nature, particularly in their natural resources and economical and trade conditions.

In this way Bolivia, being so far, a country without seaports, all her energies have been employed in establishing a complete railway net of communication and developing her mineral resources—the agricultural products have been insufficient to meet the demand of her domestic consumption—consequently the crisis in Bolivia is not so intense and the remedy for the actual economical problem is easier to achieve than in other countries with a more complicated economical organization.

Bolivian trade has been mostly carried with the German and English markets, which are now shut up, so that we are unable to sell them those products or use credits from those sources in order to divert trade as a natural dilemma towards the United States of America.

There are two principal articles of exportation from Bolivia, wherefrom in reciprocity, the demand of articles of importation are obtained, i. e. India rubber and minerals—principally, tin and copper.

## INDIA RUBBER

Bolivia, and Brazil, produce the best quality of rubber obtained from the trees of the "Hevea or Syphonia Elastica" known in the market as *Para Rubber*, but owing to the foresight and perseverant endeavors of the English Government to acclimatize those trees in their Asiatic dominions, seeds were carefully collected from Brazil since 1865 where with economical and scientific methods, plantations have spread all through the Orient determining a deadly competition against the South American Rubber Industry, in spite of the superior quality of its product.

Nevertheless, it seems to me, that in provision of the prolongation of the war, and perhaps of future complica-

tions which may extend their devastations to the rubber regions in the Orient, it would be wise for the United States capitalists to look forward and undertake, without delay, similar well organized plantations in the habitat of the rubber tree in Bolivia and Brazil, where now on account of the depressed situation easily can be acquired lands and estates where already exist great quantities of fully matured rubber trees ready for immediate exploitation of the article.

Furthermore, there is another most meriting attention for said suggestion to be borne in mind of the people of this country, if they care to be, once for all, free from the subservience of the English market on this indispensable article for the industrial world, and for that purpose I refer myself to the authoritative views of Mr. Henry C. Pearson, Editor of "The Indian Rubber World" in which he calls attention to the possibility that in the near future, the closely planted areas of rubber trees in the Orient, will be subjected to different natural perils producing the devastation that may perhaps wipe out entirely those plantations as happened with the coffee in Ceylon:

"The Future of Rubbers—As to the future, if the ratio of increase in producing and planting remains the same, the production of plantation of rubber in the next five years should reach 500,000,000 pounds. Such an output would probably mean a drop in price to at least 5 cents a pound. It would also mean a wonderful expansion of the rubber manufacturing industry in new and unguessed lines, as well as in the old. But will nature allow such areas of one growth to supplant others? Will not rubber have its boll weevil, its scale, its bud rot? The planters have from the beginning fought white ants, canker, caterpillars; and the entomologists and mycologists of the world are on the alert to defend these new plantations. Will it not happen that these closely planted areas will suffer and perhaps be wiped out as coffee was wiped out in Ceylon? And will it therefore not come about that a wider distribution of planted areas will be a necessary one that will include tropical Central and South America, Africa and our own Philippines, and thus assure the permanence of this most valuable product?"

In Bolivia, there are great opportunities and new inducements for these plantations on account of the recent installation of the "Madera Mamore Railway" built with American capital in connection at Porto Velho with ocean steamers of 4,000 tons admitting navigation during four months, and of 2,000 tons all year round.

## TIN AND COPPER

The output of tin in Bolivia represents 45,000 long tons of ore of 60% grade which has entirely been shipped to smelters in Germany and England, which on account of the war are now closed, so that Bolivia, notwithstanding being next to the Strait Settlements as producer of tin, is unable to obtain a market for her ore in this country as there does not exist any smelter here for that purpose; the one built 12 years ago in Bayonne, N. J. was never in operation and is now dismantled, since the English Government in view of protecting their own output imposed a heavy duty on all ores exported from the Straits to

smelters out of the British Dominion.

The building of a smelter in this country to treat Bolivian tin ores would be a solution of mutual advantages.

Amongst these advantages it is evident that in reciprocity which is the basis in which all legitimate commerce rests, this country will obtain the pigtin much cheaper than when imported from Europe by avoiding the ocean freight of \$12 per ton on the metal from Europe to New York; in addition it must be considered that the representative value of this new importation to this country means some \$20,000,000 (thus increasing tenfold the actual imports of this country to Bolivia) that would be invested in the purchase of American goods to be exported to Bolivia, and in this way, placing in this country the interchange of trade, which existed between the European nations at war.

These are some of the most essential features of the trade of my country to which I call the attention of the business people of the United States.

I may as well mention that the Bolivian copper mines produce a higher quality of ore than any of other South American countries, consequently it would only require a simple form of metallurgical plant, that could easily be adapted alongside the tin smelter.

## PETROLEUM FIELDS

Recently vast extensions of petroleum fields have been discovered in the southern region of Bolivia, and the newspapers announce that a French Company with a capital of \$4,000,000 has been organized to exploit those fountains; this, seems to me, another good opportunity to interest the American capital in my country.

As countless publications have been made with unpractical generalities emphasizing the opportunities for this country to substitute the South American trade with Europe, it is wise to be remembered that the general commercial situation is embarrassed everywhere by financial stringency in order to proceed with careful investigation and in a spirit of mutual help preparing fields to meet future competition successfully.

With these premises I may mention the goods and articles that were imported from England, France, Germany, Belgium, etc., and which perhaps could be permanently imported in future from the United States: Rifles, revolvers, cartridges, cotton goods, chintz, watches, medicines and drugs, chemicals, cars and wagons, rails, carriages, automobiles, electrical appliances, can goods, meats, fish, fruits and vegetables, coal, hardware, glassware, earthenware, mining and agricultural machinery, champagne, wines and liquors, tin plates, plumbers' appliances, condensed milk, extract of meat, hams and bacon, musical instruments, pianos, pianolas, and gramophones, printing paper, and ink, stationery, furniture, cement, hats, underwear, rubber goods, boots and shoes, soap and perfumery, etc.

ADOLFO BALLIVIAN,  
Consul General from Bolivia.

## Paraguay

It is pleasing to me to know that you are cooperating with the other organizations that are behind the prop-

aganda for increased export business for the United States, and I can assure you of my readiness to assist you in any way possible. It is particularly pleasing to know that you are interested in Paraguay, inasmuch as, this country being inland, the merchants of the United States have neglected to take advantage of the rich opportunities there offered, with the result that the bulk of the trade in foreign goods has been with Germany, Great Britain, and her immediate neighbors. During the year 1912, the last for which I have complete figures, the imports from Germany were, in pesos (\$365), 1,555,398.47, or a total, approximately, of 30% of the entire imports of 5,350,000.13; Great Britain followed with 1,341,705.40, or 25%; the United States sent 315,943.05, or about 6%, or slightly less than Italy, France, or Spain. The total of exports for the same year amounted to 4,235,723.30; Germany bought 20%, Great Britain, 2002%, or almost double what the United States purchased—611.40.

One of the regrets of this Consulate is the punctual receipt of a formal notice from the United States Customs authorities advising that during the preceding month no imports were received from Paraguay. The above figures, however, show that some exporting of goods for the Paraguay market has been made. In one branch the United States leads—firearms and ammunition—followed by a respectable proportion of drugs (principally proprietary medicines), typewriters and sewing machines—in a word, the wares whose trade mark is known and protected internationally, and whose fame has been spread through judicious and constant advertising. While the proportion received from the United States has been small, the quality has appealed favorably to the consumers to the extent, I am reliably assured, that American made goods enjoy the highest reputation.

## CREDIT NEEDS

The business of the country is controlled largely by the Germans, Spanish and Italians—each being backed up by financial connections facilitating credit and exchange. The principal commission houses handling imports, buy, sell, extend credit, and act as general intermediary in the distribution of merchandise and the handling of the crops, and therefore have an intimate and sympathetic knowledge of conditions and needs that the American agent—on a hurried trip—could not secure. The result has been that some of the European houses, knowing that they were secure in this territory, have flooded the market with inferior wares against which previous complaint is made.

For the United States to secure a foothold, it will be necessary first to establish credit—reciprocally—a purely financial matter that any bank can arrange, but one that will be facilitated by the introduction of branch financial institutions as is now possible; secondly, learn the "wants," rather than the "needs" of the people, who, being of a different race, have frequently different tastes to those of the United States; thirdly, meet them in their own vernacular, for, otherwise, the trained diplomat-linguist-agent has an advantage; when these have been accomplished, furnish the best of wares, at the lowest export prices, and be prepared for re-orders and able to fill them.

WM. WALLACE WHITE,  
Consul from Paraguay.

# Trade Conditions and Opportunities in Canada

By A. G. Robinson

Mr. Robinson writes with authority on conditions in Canada as he has made extensive research in that country for the Department of Commerce. Mr. Robinson has recently written on trade and economic conditions in Canada, South America, Cuba and our Outlying Possessions

ON August 10, the Canadian Parliament met, in an emergency session, for the consideration of measures desirable or necessary to meet the conditions arising or to arise in consequence of the war in Europe. The participation of the mother country in that war was approved and endorsed. Among the eight laws enacted during the five day session, stands the following, known as the War Appropriation Act of 1914.

"From and out of the Consolidated Revenue Fund there may be paid and applied beyond the ordinary grants of Parliament a sum not exceeding fifty million dollars towards defraying any expenses that may be incurred by or under the authority of the Governor in Council during the year ending the 31st day of March, 1915, for:

(a) The defense and security of Canada.

(b) The conduct of naval and military operations in or beyond Canada.

(c) Promoting the continuance of trade, industry, and business communications, whether by means of insurance or indemnity against war risks or otherwise; and,

(d) The carrying out of any measures deemed necessary or advisable by the Governor in Council in consequence of the existence of a state of war."

The law also gave the Governor in Council authority to raise funds under this act, by loan or otherwise, the same to be charged to the Consolidated Revenue Fund of Canada. This sum, if employed in full, as in all probability it will be, will increase the total net debt of the Dominion about one-sixth, and increase its normal expenditures about one-third. By this step alone, a heavy burden, however willingly borne, is laid on the shoulders of our northern neighbors. The burden falls at a somewhat inopportune time. The country has been spending large sums for railway extension, municipal improvement, and for other purposes deemed necessary for the proper development of its natural resources, and to meet the opportunities opened to those resources by the increasing needs of the world's markets. There has been an evident tendency to overdo the expansion, and a reaction was apparent before there came the call for a war fund. One indication of this appears in the decline in total imports from \$922,000,000, in the fiscal year ending March 31, 1913, to \$650,000,000, for the fiscal year 1914. Another indication has appeared, in a perceptible hesitation, on the part of banks and bankers, to increase materially their Canadian loan account.

Commenting on this experience, the *Monetary Times* (Toronto), in its issue of October 2, states that "one particular fact must not be overlooked. Whether or not war had come, Canada had commenced a necessary period of readjustment. This was well under way when the European atmosphere became thick with ultimate less necessary. It is hastening it, and somewhat inconveniently in various directions. In other ways it is mitigating the adverse conditions which must accompany a national change from a lengthy period of heavy

construction to what we hope will be a prosperous era of more production. The transition period is an awkward one. In passing through it, we have to prune our imagination and our paper fortunes to hard facts. That the war is softening the natural hardships of the transition is seen in active factory plants which today would have been working at greatly reduced capacity had it not been for government war orders; in the fact that only a fair wheat crop in western Canada is fetching high prices because of the war; in the fact that the temporary loss of population is helping to solve the employment problem.

None of these conditions, nor all collectively, can be regarded as a menace or as sign of menace to Canada's general financial stability. Its acres are broad enough and rich enough to bear all present burdens, and its people are sane enough to keep the affairs of the country in sound condition.

## INFLUENCES OF WAR

The influences of the European war on Canada's industrial and commercial activities are both direct and indirect. As a part of the British Empire the Dominion is contributing thousands of the best of its young men to swell the army engaged in the war. The rigid censorship conceals the number already gone or now on their way, and further draft will depend upon the duration of the conflict. The present population of the country is about 8,000,000. The transfer of 50,000 or even 25,000 men from the industrial army to the military, will make an appreciable difference in the industrial output. Some of the number, whatever it may be, will not return, while others will return maimed or broken in health by diseases almost invariably attendant on vast military operations. From this expenditure of life and money, Canada has nothing to gain. Whatever the final outcome, Canada stands a loser, perhaps a greater loser than any other British colony, and certainly a greater loser than the so-called neutral nations.

The effect of the war on Canada's economic and commercial activities is not readily reducible to statement in figures. Practically 60% of its surplus products consists of foodstuffs in various forms, animals and animal products, agricultural products, and products of the fisheries. For whatever surplus there may be during the continuance of the war, there will be a market, either in the United States or in the United Kingdom. With those two countries, our neighbor does about 90 per cent of its total outside business. About two-thirds of its total import requirement comes from the United States, and more than one-fifth comes from the United Kingdom. About 50 per cent of its exports of domestic products goes to the United Kingdom, and about 45 per cent comes to the United States. There are several reasons for the heavy excess of imports from the United States rather than from the mother country. It is probable that few of those who are unfamiliar with affairs in the Dominion realize how decidedly the conditions across the border resemble conditions in the United

States rather than conditions in England. One of the most emphatic evidences of similarity in general thought and life appears in Canada's imports of literature, books, magazines, newspapers. In the five year period 1909-1913, the imports in that line averaged \$4,800,000 a year. Of this, about 20 per cent came from the United Kingdom and about 72 per cent from the United States. The Canadians ride in American made automobiles, in American made railway cars drawn by American locomotives over American made steel rails. They use American made machines and appliances on their farms. They burn American coal in their homes and in their factories. They use, almost exclusively, American made clocks, corsets, corsets, raw cotton, gasoline engines, musical instruments, illuminating and lubricating oils, and many other articles. Some of the demand for these and for other commodities is met by local production. Canada's census of 1911 shows domestic manufactures valued at nearly \$1,200,000,000, a per capita in that department of industry nearly three quarters that in the United States. In most lines, though not in all, what the Canadians do not make for themselves they buy in the United States.

## OUR INFLUENCE

Another influence in the trade across the border is the fact that it is across the border—in an economic sense it is across the imaginary line—a line existing only in geography and in politics. Compared with points in Europe, or even with England, the cities of Canada are next door neighbors to cities in the United States. A merchant in Montreal in need of goods for immediate delivery can telegraph to New York, and the express company will deliver the desired goods on the following day. The merchant in Winnipeg stands in a like relation to St. Paul. Distributing centers and consuming markets in the United States are only a few hours, or at most a few days, from Canadian centers. Banking is done across the Canadian border as conveniently as across State lines. In his volume *Canada Today*, Mr. J. A. Hobson, an English writer and lecturer, makes the following comment on the "Americanization of Canada:"

"It is evident that Canadian life is approximating more and more to that of her powerful neighbor, and if the rapid manufacturing growth which she anticipates takes place, the quantities and defects, industrial and political, of the United States will also be those of Canada. For it is not merely a case of imitation and of common needs and growth; if Canada is really destined to quick development it will be achieved by a large influx of American capital and labor, inventive and organizing energy. What is already happening makes this manifest. Into the new manufactures of Ontario and Quebec, the French Canadians, who hitherto had sought wage labor in the mills of New England, are steadily moving back, and not a little skilled American labor is following. But far more important is the flow into the Dominion of American capital and

business enterprise. A large proportion of the big manufacturers and railroad men are American born, and the training and business ideas they bring are imported from the States. (*Canada Today*, p. 52 et seq.)

The spirit of America expressed in the constant pressure toward new and better land, of course brings many common factors of American life to the fore. The Americanization of Canada is sometimes spoken of as if it were an intrusion or invasion of alien institutions. No such thing. The simple fact is that Canada is American: her climate, soil, flora, and fauna, her people and their ways of life are so nearly related that political divergence is of comparatively small significance in any broad estimate of the present and probable future of the Canadian nation. I wish to emphasize the important fact that the new Canadian boom is simply another large outburst of the energy which has made the United States what it is today. (p. 11.)

For these and for other reasons that need not be analyzed here, the larger part of Canada's buying is done in the United States. While the trade balance is still heavily in our favor. There has been, in the last few years, a wholesome increase in our imports from the Dominion. Imports in 1910 were valued at \$95,000,000, and in 1914 (fiscal years), at \$160,000,000. Our purchases are now nearly as large as are those of the United Kingdom, and in the two countries Canada markets about 95 per cent of its exports. The loud wails of dire disaster to American industries as a result of the reciprocity treaty proposed by the Taft administration, or as a result of the tariff change in 1913, have not been justified by the later experience. Prices have not been demoralized and, as far as can be learned, no one has been ruined or even perceptibly injured. The direction of the trade currents has not been changed, nor has their volume been greatly affected. Canada, having more to sell, has sold more in both markets. The export record of the last three years, as shown by Canada's statistics for fiscal years ending March 31, stands thus:

To United Kingdom			
1912	1913	1914	
\$151,863,000	\$177,982,000	\$222,323,000	
To United States			
120,636,000	187,110,000	200,459,000	

## TRADE WITH BELLIGERENTS

The business of Canada with the countries whose trade is interrupted or suspended by military operations may now be considered. The trade with the three countries particularly involved, Germany, Austria-Hungary, and Belgium, is comparatively small. It stands thus, for Canada's fiscal years:

GERMANY			
Imports from			
1912	1913	1914	
\$11,000,000	\$14,215,000	\$14,586,000	
3,815,000	4,902,000	4,431,000	
BELGIUM			
Imports from			
1912	1913	1914	
\$ 3,683,000	\$ 4,020,000	\$ 4,491,000	
2,732,000	4,809,000	4,820,000	



## Canadian Conditions

(Continued)

## AUSTRIA-HUNGARY

Imports from	Exports to
\$ 1,209,000	\$ 1,724,000
125,000	155,000
56,000	279,000

A detailed list of the articles imported from Germany, represented by the sums given in the above table, would more or less suggest the inventory of the stock of a mail order concern. Before proceeding to any consideration of it, attention may be called to the general trade relations of the two countries.

The Canadian tariff of 1897 granted, subject to certain specified conditions, a preferential rate on merchandise imported from the United Kingdom or from British colonies. This led to a British notice abrogating, on July 30, 1898, a commercial treaty negotiated with the German Zollverein in 1865. The situation thus created led to a prolonged and serious diplomatic discussion between England and Germany. Germany penalized imports from Canada, and Canada retaliated by imposing a surtax on imports from Germany. The effect of the "tariff war" is shown in the following:

## TRADE WITH GERMANY

Imports from	Exports to
1902	1901
\$15,516,000	\$14,380,000
2,693,000	2,098,000
	1,819,000
	1,147,000

## GERMAN-CANADIAN TRADE

The matter was finally adjusted in 1910. German efforts to secure business in Canada have met with some success, enough to double the sales of 1905, but imports from Germany are still inconsiderable when compared with the total. They include, as already stated, a large number of different commodities, bought, in their greater number, in values measured by a few thousands or a few ten thousands of dollars. Some accounts run into hundreds of thousands. It is possible that American dealers may be able to secure some of this now practically suspended business. As imports vary from year to year, sometimes quite widely, the quotation of figures for individual years is apt to be misleading. As far as possible, averages for the three year term, 1912, 1913, 1914, will be used here. Imports of German cutlery, for those years, averaged \$350,000; of locomotive tires, \$315,000; hides and skins, \$170,000; raw sugar, \$600,000; aniline and coal tar dyes, \$210,000; toys and dolls, \$520,000; tableware, china, crockery, and porcelain, \$275,000; furs and fur skins, undressed, \$875,000; furs and fur skins, wholly or partly dressed, \$280,000; leather and kid gloves, etc., \$345,000; feathers, imitation fruits, flowers, etc. for millinery decoration, \$105,000; braids, cords, etc., \$115,000; cotton socks and stockings, \$380,000; cotton laces, \$160,000; other laces, \$165,000; insulators, etc., \$80,000; buttons and materials for making buttons, \$65,000. Among the numerous articles of smaller value are baskets, printed labels and lithographs, bristles, cocoa paste, combs, clothing, printed, colored, and dyed cotton fabrics, velvets and plushes, electrical apparatus, embroideries, hops, dried peas, surgical and dental instruments, tools, lamps, pencils, woolen goods, and many other articles.

On the other side of the account, Canadian exports to Germany, on the same basis of averages, are, bran,

\$120,000; pickled salmon, \$135,000; harvesters and binders, \$305,000; agricultural implements of various kinds, about \$500,000; asbestos, \$35,000; canned lobsters, \$145,000. The list of exports is not long and the total value is comparatively small. Canada's surplus formerly sent to Germany will be readily absorbed by other markets. The same is true of the small exports to Austria-Hungary and the comparatively small shipments to Belgium. The leading export to the latter has been wheat, to a recent average value of \$2,500,000. Other shipments have been, canned lobsters, \$100,000; aluminum, \$250,000; asbestos, \$145,000; and oil cake, \$275,000. Imports from Belgium have included baskets, \$18,000; bibles and other religious books, \$35,000; window glass, \$675,000; plate glass, \$355,000; laces, glassware, sole leather, etc. From Austria-Hungary have come collars and cuffs, \$40,000; leather and kid gloves, etc., \$40,000; buttons and materials for making buttons, \$65,000; pipes for smokers, \$150,000.

None of the markets of the world will be disturbed by any change in these little trade currents, and Canada will have no trouble in diverting them, either the inward or the outward movement, to other channels. As far as sales are concerned, Canada has been selling as much to Newfoundland and the British West Indies as it has been selling to Belgium and Germany. In common with all other nations, Canada will experience a decline in purchasing power, in volume of imports, and in revenue derived from tariff on imports. The extent of the decline depends upon factors whose force is beyond any present measurement. Nor can the influence or effect on Canadian production be calculated or estimated. Presumably, men have gone, for service in the army, from fields and from factories, from stores, offices and professions. Every man so withdrawn represents, theoretically at least, a curtailment of national output. Measured in terms of the withdrawal of tens of thousands, the curtailment becomes actual and clearly appreciable.

## COMMERCIAL LEGISLATION

The other laws, seven in number, passed by the Canadian Parliament during the session referred to in the opening paragraph of this article, were as follows, by titles as officially adopted: The Finance act; the War Measures act; the Dominion Notes act; the Customs Tariff Amendment act; an amendment of the Inland Revenue act; an amendment of the Naturalization act; the Canadian Patriotic Fund act. Reference has already been made to the eighth act, known as the War Appropriation act. These various laws provided for all the conditions arising or possibly to arise out of the war as far as Canada is or may be affected. Provision was made for an increase in note circulation, both Dominion notes and bank notes. Power was given to the proper authorities, the need of drastic action becoming imperative, to suspend the gold redemption of Dominion notes, and to establish "in so far as the same may be within the legislative authority of the Parliament of Canada," a moratorium. Provision was made for a censorship on publications, writings, maps, etc.; for arrest, detention, exclusion and deportation; for control of harbors and ports, transportation, trade and production; for seizures, forfeitures and compensation. In anticipation of decreased revenues, increase was made in the rate of tax-

ation (Inland Revenue Act) on distilled and malt liquors, and on tobacco, manufactured and unmanufactured. The amendment to the tariff made substantial increase in the duty on cocoa, chocolate, coffee, sugar, malt liquors, distilled liquors, tobacco in its various forms, medicinal and other preparations, and a few other articles and groups of articles. In brief, Canada has made all possible preparation for the storm, whatever may be its duration or its severity.

## TRADE OUTLOOK

With no intent whatever to invade the domain of prophecy, the probabilities of the Canadian situation may be stated thus: On the side of exports, the probability is that there will be no diminution in value, for the reason that price enhancement will doubtless offset any decline in volumes. The question of volume will depend, as usual, upon weather conditions, upon bountiful crops or crops diminished by excessive rains or by drought. It is quite possible that heavy yield and high prices may combine to throw Canadian exports to figures higher than any yet reached. Of the market for the surplus, consisting chiefly of food products, there is no question. Whether the yield is large or small, it will be readily absorbed. On the side of imports, the probability is a shrinkage, by reason of decreased purchases due to personal economies and to partial suspension of activity in public and semi-public enterprises. Various national and municipal projects will be temporarily abandoned. What the Canadian people need or want to buy, for public or for private purposes, can be bought in markets still open and quite certain to remain open.

The war affords opportunities of which the Canadians will take full advantage, and it imposes burdens that they will bear with sturdy equanimity.

## Treating Flax Fibre

THE Chamber of Commerce of the United States has been advised by the Commercial Attache of the Russian Embassy in Washington that the Minister of Trade and Industries of Russia has approved the conditions of a competition for the invention of a method of mechanical treatment of flax fibre that will eliminate preliminary retting and spreading. The details of the form follow:

A prize of 5,000 rubles is offered by the Ministry of Trade and Industries for the invention of an improved method of mechanical treatment for flax fibre without preliminary retting and spreading.

To receive the whole of the prize, a full size working model of the machine must be submitted to the Ministry of Trade and Industries.

The machine must be designed so as to work also flax-linum sativum vulgare.

The machine must free the fibre of chaff without damaging it and through its entire length, and the processes of scutching the flax straw and that of separating the fibre from chaff, should be performed by the same machine.

The mechanism of the machine must be simple enough to allow of operation by persons possessing no technical knowledge or experience.

The price of the machine should be such that peasant farmers of small means could readily purchase it, or at least, it must be accessible in its price to groups of such farmers co-operating as partners.

It is desirable, the contestant should give full data for the chemical working of the fibre after it has been scutched. This process should be simple enough to be performed by peasant growers.

Data must be furnished relative to the efficiency and productivity of the machine as well as a description of its advantages over present day methods of treating the straw. The cost of scutching and cost of further chemical treatment of the fibre, necessary to produce the present day standard for merchantable flax, must be given separately.

A contestant may submit drawings and data only. Should such drawings and data meet with the approval of authorized experts, the Ministry of Trade and Industries will have full size working model of the machine constructed, and should an invention so entered be awarded the prize, the inventor will be entitled to one-half of the entire premium, or sum of 2,500 rubles.

The inventor retains the right to patent his invention.

The competition is open to Russian subjects and Foreigners.

The value of each entry and the fulfillment of the above stated conditions will be decided on by a special Committee of the Ministry of Trade and Industries, consisting of experts to be appointed by the Ministry with the assent of the Department of Agriculture, and by representatives of these Ministries.

The drawings, or the working model, with data, should be submitted on or before March 14th, 1915. March 1, Russian calendar.

Contestants wishing to conceal their identity from the examining Committee until the close of the competition, may submit their drawings or models and their true names in separate cover, both marked with the same assumed name.

## Useful Books

## South America

A suggestive volume has just been put out by the Southern Commercial Congress of Washington entitled *The Young Man's Chances in South and Central America*. The author and compiler is Wm. A. Reid, whose travels throughout South America in various lines of trade promotion have been very extensive. This volume can be secured from the Southern Commercial Congress, Washington, for one dollar.

## Commercial Relations

An opportunity for studying our nation's exports and imports in compact form is offered by the volume just issued by the Bureau of Foreign and Domestic Commerce, entitled *"Commercial Relations of the United States, 1912."* This volume may be secured from the Superintendent of Documents, Government Printing Office, for thirty-five cents.

## Consular Reports

Every manufacturing and exporting business that is not already on the mailing list of the *Daily Consular and Trade Reports*, issued by the Bureau of Foreign and Domestic Commerce, this city, should subscribe immediately. No better means is available for understanding foreign commerce conditions based upon reports sent in direct by the official representatives of the United States in all parts of the world. The subscription price of the *Daily Consular and Trade Reports* is \$2.50 a year. Single copies from July 1 onward can be secured for five cents each.

# The Commercial Attache and the Business Man

By Edward Ewing Pratt,

Chief of Bureau of Foreign and Domestic Commerce

It is quite too early in the history of the Commercial Attache Service to prophesy the development of the important functions of this new branch of the Department of Commerce. Those things which now seem important may dwindle into insignificance. Those things which are now unthought of may, and probably will, assume commanding importance.

The Government, through the work of the Bureau of Foreign and Domestic Commerce of the Department of Commerce, is actively and energetically seeking new business in foreign lands for our manufacturers and merchants. The Bureau is essentially an information organization at large. Commercial Attaches are going out as district observers. Each man has been given a territory. He will keep the general manager at Washington supplied with detailed information concerning business conditions in his district. He will send in the information relating to the general tendencies of trade and the possibilities of the extension of our markets. This information will in turn be passed on to the American business man.

This information does not, of course, consist of actual orders. At this point the American manufacturer must take up his burden. He must act on the information received and send out his salesmen, his samples, his catalogs, and reap the harvest which has been pointed out to him but not harvested for him.

## CONSULAR WORK NOT DUPLICATED

The distinction between the work of the Commercial Attaches and that of the Consuls is clear and well-defined. The consular districts are usually determined by reasons which are not primarily commercial. The consul is usually burdened by a great variety of cares and duties in addition to those of a commercial nature. The Commercial Attache, however, will devote his entire time to commercial work. Although his territory is many times larger than the usual consular district, his freedom of movement will necessarily give him many advantages in seeking trade and commercial information. Nor is the Commercial Attache expected in any way to relieve the consuls of work which they are already performing to the satisfaction of all. The consuls are to continue to report, without fear of duplication of effort, every economic change and every trade opening that may come to their notice. In fact, for this detailed work, which is so important in the promotion of foreign trade, the consul is in a peculiarly favorable position because of his close contact with local business conditions.

The primary duty of the Commercial Attache is to learn to know thoroughly the country to which he is accredited. He is to know not only the capital or chief port but the back country and its small cities. He is to meet and learn the views of all classes of men, officials as well as business men, rich as well as poor, educated and the unthinking. Much of the information which he acquires will be merely educational, it will merely form the background for specialized studies. The entire mass of accumulated

data will be placed at the disposal of the officers of the Government and of the business men of the country.

## INITIATIVE REQUIRED

The Honorable William C. Redfield, Secretary of Commerce, in discussing the functions of the Commercial Attache, has stated the situation with unmistakable clearness and insight.

"What is essentially required of the Commercial Attache is initiative, combined with practical imagination. It is not sufficient for him to learn, even with the most scrupulous care, all that is now done in the commercial field in his district and report fully thereon. This is but the beginning of his service. It remains to build upon this foundation the affirmative structure of our commerce. He should have vision to see what is not done, to determine what is needed and point out the way to get it. He should discern the articles not now made or sold in his territory for which a market would exist if these articles were properly made or well designed. He should inform the Department of what is necessary in the matter. He should advise how articles now sold are at fault, and how we may improve upon them. In brief, he should advise how we can better do what is already done either by ourselves or by others, and how we can do that which is not now done at all either by ourselves or by our competitors. It is the step beyond the thing which is, to develop the thing which may be, that is wanted. The Attache should be alert to find out the weak spots in our competitors' commercial armor, and to advise how our business men may get a thrust therein. He is to do creative and not imitative work. He is not to be merely a reporter of the things which are, but a prospector for the things which as yet are not. He should deal with all phases of commerce and industry: Methods and manners and terms; quality and quantity and design; colors and trademarks; packing and postage, and every significant detail which may affect our commerce. This is not an easy task—but the Attache's task is a heavy one. For example, he must be alert to note that if certain goods shipped into his territory were packed differently, the duty would be less, or the customer would be better pleased. He is to deal with practical details as well as general conclusions, and he needs the broad vision of his national field, combined with a keen sensitiveness to the value of these details. Let him by all means mount to the mountain tops that he may see far, but just as truly let him live on the plain that he may see what is close at hand."

To attempt a detailed analysis of the functions of the Commercial Attache at this time would be valueless. In a general way, it is expected that he will act as the personal representative of the Department of Commerce, and hence, of the American business public, in his district. The Commercial Attache is the business diplomat.

He will report on trade and financial conditions generally. He will report on definite and specific opportunities for American manufactured goods. He will answer inquiries from American merchants and manufacturers, and

from foreign merchants and manufacturers. He will seek out new markets for American products, and will bring them, through the Department of Commerce, to the attention of the American business public. He will study and recommend methods of increasing the trade relations between the United States and his particular district.

To the business man who is looking for foreign trade there will probably occur a number of practical applications to his own business, and the business man may well wonder how he has been able to do without just this service. It is the aim of the Department of Commerce to make the Commercial Attache Service so valuable that the business community will recognize the practical application of its work and find many and varied ways in which it can be used.

The Department of Commerce, through the Commercial Attache Service, and the other work of the Bureau of Foreign and Domestic Commerce, is really performing a trade promotion work for the American business public of a unique character. Through the Bureau of Foreign and Domestic Commerce, the manufacturers and merchants of this country can secure definite and concise information on most of the important facts of foreign trade which lies within the legitimate field of the Government to supply.

The Bureau publishes regularly the "Daily Consular and Trade Reports," the monthly review of "Foreign Commerce of the United States," the regular monthly and special reports of consular officers, the reports of the Bureau's own agents, who are studying trade and commercial conditions in many parts of the world. These publications contain a veritable storehouse of valuable facts for the manufacturers and merchants interested in foreign trade. The Bureau is especially anxious to serve the business community for whose benefit it was organized, and to encourage requests for information and suggestion.

## Trust Legislation

(Continued from page 4)

Regarding interlocking itself the Chamber took no attitude, but it is strongly represented that the whole of the larger subject should be referred for investigation and recommendation to the Federal Reserve Board or some other competent body. In the opinion of the Chamber's committee, it is of great importance to the business community that credit should not be concentrated in a way which will permit elements extraneous to ordinary banking considerations to govern the granting of credit, and at the same time it is equally important that there should not be such interference in the present banking system that disadvantages will result to the business public from disturbances in situations which do not contain the evils of concentrated credit.

The Senate was of the same opinion as the Chamber: for it struck out the prohibition of the House against interlocking among banks, but after three weeks of argument the representatives of the Senate who met rep-

resentatives of the House in conference agreed to the legislation.

## CORPORATE OWNERSHIP OF STOCK

Corporate ownership of stock in competitive corporations, the Chamber suggested, should be prohibited. It wished the prohibition to apply if elimination of competition would violate the Sherman Act, and also wished the ownership to be permitted in case, according to a determination of the trade commission or of the Interstate Commerce Commission, it did not involve a detriment to the public interest.

The law contains the prohibition and also the test of illegality substantially as proposed by the Chamber. Contrary to the literal suggestion of the Chamber, the law does not allow a finding of the commission that there is in fact no detriment to the public interest, but leaves the enforcement of the prohibition to the trade commission in the case of ordinary business corporations and to the Interstate Commerce Commission in the case of railroads. Exceptions made by the law in reality provide what the Chamber sought,—provision for legitimate corporate ownership of stock in situations where modern business conditions will leave no practical alternative. The law expressly says that a corporation may form subsidiary corporations for the conduct of their business and may hold the stock, and the main prohibition against the holding of stock does not apply at all if a corporation acquiring stock uses it solely for purposes of investment. These concessions go beyond what the Chamber asked.

## REGULATION OF STOCK

To any attempt to regulate stocks and bonds issued by business corporations, such as was at one time contained in a bill considered by a Senate committee, the Chamber was opposed, for the reason, among others, that the subject belongs peculiarly to the States which according to present practice create the corporations. The proposal was abandoned in the early stages of legislation.

## GOVERNMENT DECREES

Decrees obtained in equity suits brought by the Government should, in the opinion of the Chamber, be used as evidence in subsequent private actions only as to the general fact of the existence or non-existence of a restraint on trade or of a monopoly. The law so limits the use of decrees. The Chamber's recommendation contemplated the use of a favorable decree by a defendant as well as the use of an adverse decree by a complainant; the law does not, however, permit a defendant to plead a decree in his favor. This disadvantage is overcome in another way; for a defendant may offer evidence to overcome the effect of a decree,—a thing he could not have done according to the recommendation of the Chamber, which would have given conclusive effect to the evidence of the decree.

The two laws which have now been enacted represent the residuum of a multitude of proposals and of a vast amount of discussion in committees and in debate. The ability of the Chamber to focus business attention upon essential principles, regardless of the propaganda of the moment, is demonstrated in this summary. Account has been taken only of points in the new laws upon which the Chamber expressed opinions in Referenda Seven and Eight, and an attempt has been made merely to indicate the extent in which the attitude of the Chamber is represented in the new legislation.



# Governors' Conference--Its Scope and Influence

By Hon. John Franklin Fort, Former Governor of New Jersey

THE next Governors' Conference is to be held from November 10th to 14th, 1914, at Madison, Wisconsin. The programme for the conference has been concluded, and it bids fair to be one of the most important and interesting of the conferences yet held. It will be the sixth in order of the conferences held by the Governors alone. Governor Francis E. McGovern of Wisconsin has been in the last four conferences, and is familiar with all the past proceedings, and he is taking a great interest in the session of the coming conference.

The first conference of the governors of the several States and others eminent in many lines, was called on the thirteenth of May, 1908, by Theodore Roosevelt, then President of the United States to meet at the White House. At this meeting various subjects were discussed, and an especially memorable address being delivered by Mr. Root, then Secretary of State of the United States. The calling of the conference was the subject of much discussion through the press and otherwise, and some of the articles written went so far as to declare that the purpose was to create a new power in government and dubbed the suggested conference of governors as an "American House of Lords." Of course this thought was in the mind of no one who understood either the purpose or motive of this gathering. The conference was of a most illuminating character and opened a new field for thought and action. At no time in the previous history of the country had so many governors of States been gathered under the same roof as upon this occasion at the White House conference. It is also doubtful if ever before any gathering ever contained so many distinguished representatives of the political, industrial and professional lines as did this. As I write, a picture of that company taken in front of the White House is before me. It is a remarkable group. The President and Vice-President of the United States, seven justices of the Supreme Court of the United States, thirty governors of States, leading railroad presidents, great conservationists, labor leaders, renowned engineers, civil and mechanical, great philanthropists, senators and representatives of the Congress then in session, several members of the Cabinet, and others of like distinction.

At this gathering it was the sense of the governors present that the Conference of the Governors should become a permanent body, and a committee of governors, only, was appointed to effectuate this purpose. It did its work and called the first Conference of Governors, only, to meet in the city of Washington on the eighteenth day of January, 1910. At this gathering, there were thirty-one governors present. Since then there have been conferences held each year, as follows:

November, 1910, at Frankfort and Louisville, Kentucky.

September, 1911, at Spring Lake, New Jersey.

December, 1912, at Richmond, Virginia.

August, 1913, at Colorado Springs, Colorado.



JOHN FRANKLIN FORT

## SUBJECTS CONSIDERED

The papers which have been read at these conferences, and the discussions had upon them, have been of incalculable value to the governors in their suggestion as to new legislation for their States. No one is quite so well able to give to the governors of other States the effect and operation of a Statute of a State, creating some new system or law as the governor of the State in which it is operative.

The proceedings of the conferences are all printed and preserved and these able papers are within reach of all. The conference has opened its doors so that now it not only permits governors in office to be in attendance, but it invites all the ex-governors who have attended as governors in the past, to take part in its gatherings.

It is not a partisan body, as the governors in attendance are always divided in their party affiliation. Partisan politics or policies are never mentioned and have never arisen in any of the discussions. Its chief function is enlightenment and helpfulness, and it certainly has accomplished both these results. No governor who attends one of these gatherings ever fails to express his desire to attend again.

When the Governors' Conferences were first considered, they were planned by some on a much more ambitious scale than has since been acted upon. In the beginning it was urged by some that there should be established a headquarters with a reference department and bureau of information where any information as to legislation in the several States could be furnished to any governor on requisition by him at any time. This plan involved much expense and in view of the many State libraries that do such work, it seemed a needless expense and was not acted upon.

In the judgment of the great majority of the governors, if not all of them, it was deemed wise to keep these conferences as simple and democratic as possible and get such aid from them as the several governors could give to one another by the papers read and in the public discussions and private conferences at the sessions. So far this method has worked satisfactorily, has proven to be most beneficial, and has answered every purpose.

## PERSONAL TOUCH

Those who have attended these conferences realize another thing of the greatest moment and importance to a governor, and that is the social side of the gatherings. By this I do not mean the attendance at the social functions, which are always arranged at the places of holding the meetings by the citizens who naturally seek to entertain so distinguished a company when it gathers in their city. But I refer to the acquaintance which comes among the governors themselves by the personal touch and greeting. After such meetings, the correspondence and official intercourse between the governors is quite different than that before such meetings. It is without doubt of the greatest advantage to each to know the other. It is just the difference between formal official, and informal personal, letter writing.

Another thing that personal acquaintance does is to make it not unusual at any time in the year to write the governor of another State for a confidential and friendly criticism of legislation or other matter in his State in which you may think your State or you may be interested. The best results come only when men know each other and feel that they can lay their plans before one another for advice and counsel. This cannot be done as fully and satisfactorily without the personal touch which

comes from a knowledge of the man with whom you wish to confer. And again, it can be truthfully said that to compare notes with those charged with like duties as yourself, tends to burnish up your own ideas and views on public questions. It never harms any of us to get the point of view of another man as wise or wiser than ourselves. Comparing notes is helpful.

## RULES OF MEETINGS

The conference has no rules, except as to its hours of meeting and the order of reading papers and discussion. Each session has a different presiding officer, and strictly speaking, he is not an officer—for the conference has no officers—he is just a governor selected to preside at a particular session to give a semblance of formal, orderly organization. The simplicity of its procedure may be gathered from that adopted at the meeting at Frankfort, Kentucky, which read as follows:

1. There shall not be any permanent President of the Conference.
2. A Governor shall be selected to preside at each sitting of the Conference.
3. The Committee on organization shall make recommendation to the Conference, at the end of each sitting, of a Governor to preside at the next sitting and if the recommendation be approved by the Conference, he shall be the Chairman for that sitting.
4. There shall be a permanent Secretary of the Conference, selected by the Conference at its pleasure.
5. The proceedings of the Conference shall be stenographically reported.
6. There shall be no rules for the government of the Conference in discussion or debate, but all proceedings shall be at all times under the direction of the Conference itself.

These have been followed in practically the same form at every conference since. There is work enough and interest enough to be found in State questions, to engross the attention of each conference.

He then declares that the scope of the conference relates to at least three groups of questions: "First, as to uniform laws; second, as to State comity where uniformity of laws cannot be had; third, as to interchange of the State experience."

Of the value of these conferences, Governor Mann of Virginia, in his address of welcome when the conference was held in that State, gave a very high estimate of what he deemed the value of mutual understanding among the governors of the different States, and made this remarkable statement:

"Indeed, it is my deliberate conviction, that if we had known each other throughout the different sections of our country as well in 1861 as we do now, the War of 1861-1865 would have been impossible."

These conferences are entitled to a broader and more nation-wide consideration than they have received up to this time. They are educating and helpful in every way, and cannot but be promotive of better State legislation.

It is my belief that public sentiment is awakening in relation to these conferences, and that the future bids fair to make them even more helpful than they have been in the past.

JOHN FRANKLIN FORT,  
Ex-Governor of New Jersey.

# Efforts and Activities of Various Organizations

## Secretaries Meet

THE joint convention of the American Association of Commercial Executives and the Central Association of Commercial Secretaries held in Cincinnati, September 28, 29 and 30, brought out an attendance of over two hundred and proved to be the most successful meeting of this kind ever held in this country. The reports and papers submitted indicated a degree of practical research by the authors which gave to them authoritative value and will lead to their being studied with care by the executive officers of all commercial organizations. The proceedings which will contain all of these papers are promised at an early date. The amalgamation of these two large associations of commercial secretaries, which has been under discussion for a year past, into the National Association of Commercial Organization Secretaries was carried through without objection and with marked enthusiasm. It may be hoped that in the course of another year the Southern Association can be brought into the National Association thus concentrating and coordinating the important work done by the commercial executives and permitting considerable saving, both of time and money, to those who were members of more than one of these organizations. The by-laws adopted for the new association were extremely simple. Mr. S. Christy Mead, the Secretary of the Merchants' Association of New York, who has been president of the American Association for the past year, was elected president of the new Association, while Mr. William George Bruce, the Secretary of the Merchants & Manufacturers' Association of Milwaukee, and past President of the Central Association, was elected First Vice-President. Mr. James A. McKibben, the Secretary of the Boston Chamber of Commerce, is the Secretary of the new amalgamated association.

The amount of valuable work disposed of and the marked attitude of all those present that they were there for work were the striking features of this meeting. At the same time, social and entertainment features were by no means overlooked and gave full opportunity for those present to get well acquainted with each other. The Cincinnati Chamber of Commerce and its Secretary, Mr. W. C. Culkins, showed themselves most admirable and hospitable hosts.

The significance of the Chamber of Commerce of the United States was presented by General Secretary Goodwin, who attended the meeting as a member of the American Association. While explaining some of the policies of the Chamber which have given rise to question he did not hesitate to appeal to the Secretaries there assembled for their support of the work, pointing out to them how essential this support was to the success of the National Chamber.

In the solution of certain problems of commercial organization no body can be of more assistance than the commercial secretaries with their experience of actual working in detail. These problems are being taken up and studied with care. As an example of this work it would be hard to place too much importance upon the report submitted by a Committee on Standardization, composed of members, of which Mr. Munson Havens, the Secretary of the Cleveland Cham-

ber of Commerce, was chairman, submitting a standard set of by-laws for commercial organizations. Papers such as those submitted on membership, publicity work, securing factories, civic activities, and the like are forerunners of future committee work which will result in authoritative statements for the guidance of organization activities.

## Ten Years' Work

THE Chattanooga Manufacturers Association is the object of especial interest at this time because it has just emerged from its first decade of real activity with a remarkable record of increased membership, scope, and attainments. In a communication received from Mr. H. F. Wiltse, Assistant Secretary of the Chamber of Commerce, he says: "The Chattanooga Manufacturers Association is non-political, non-religious, and in a nutshell handles the affairs of its members just as any individual manufacturer handles his own. It does not go into public matters unless they affect manufacturers, or are for the general good and if the association cannot prevail on other organizations to take the initial steps.

At an early date in the Association's history the office comprised one room, 40 x 30 feet in size, with a limited force, Mr. O. L. Bunn, the Secretary, and a stenographer. Now it owns its own home on one of the principal business streets of Chattanooga, its four-story building being 50 x 110 feet in dimensions, containing 12,500 square feet of floor space. An elevator serves members and visitors. An attendant is on hand to show visitors through the 155 exhibits, installed by members and a few non-members, of Chattanooga-made goods. The Association paid \$39,000 for the property as it originally stood, issuing bonds for that amount which are being redeemed at the rate of \$4,000 a year from the revenue. Repairs and an addition to the building, representing in all about \$12,000, have been taken care of from current revenue.

From 52 members in 1904, the organization has grown until there are now 140 firm members and 263 individual members, the latter figure being larger because firm members are allowed to have more than one individual to represent them. The office staff includes six people steadily.

The Association has a number of departments which are of tremendous value to the members, saving them money or resulting in better methods of operation. In the traffic bureau, there were quoted in 1913 over \$3,000 rates; over \$5,000 expense bills checked; errors discovered amounting to more than \$20,000; and collected on claims over \$101,000. Under guidance of the purchasing department, many items in general use are bought under yearly contract at great saving—for instance, oils and cement coated nails. Members having had debts submit the accounts to the collection department, where, unlike the ordinary collection agency, every effort is made to get the money and retain the friendship of the customer. The notary department saves several hundred dollars yearly for the members.

In January, 1912, the Association conducted a trade excursion to Cuba, which proved not only a pleasant and instructive outing, but helped to cement the industrial relations of the South's great manufacturing center and the Cubans.

## Civic Sermons

NO less than a dozen ministers of Wilmington supported the recent membership campaign of the Chamber of Commerce by preaching civic sermons from their pulpits, and otherwise interesting themselves in the campaign. The addresses were made Sunday, September 27th.

These sermons were preached as a result of a letter sent by the Chamber of Commerce to the ministers at the beginning of the campaign, stating what it was proposed to do for the civic, material and spiritual welfare of Wilmington.

A luncheon attended by about twenty ministers was held shortly before the canvass for memberships and they passed resolutions strongly endorsing the movement.

The Rev. T. P. Holloway, pastor of Second Baptist Church, spoke on "The Right Kind of Civic Pride." Speaking of the European civilization, he declared that the history of Europe was the history of the cities, and that since man was a social being the highest civilizing factor was the city. In applying this feeling to Wilmington, declared Mr. Holloway, the first aim of the citizens should be to make Wilmington a better city in a moral and spiritual sense, and the second aim should be to make it a more beautiful city in a physical sense.

It must be the aim of the manufacturers of the city, said the speaker, to produce, not more goods, but better goods. The people of the city must be ready to change in form and spirit the municipal life and government of the city. As an example of the perfect city, he cited the description of the Holy City as contained in the last two chapters of the book of Revelations. He declared that the perfect Wilmington would be a city in which there were more adequate schools, well supported churches, an absence of saloons and their kindred evils, no child labor, and no thoughts of a superficial life which left God out of consideration.

Doctor George Edward Reed, pastor of Grace Methodist Episcopal Church, spoke on "A Citizen of No Mean City." He told of the work of this Wilmington of the past and present and drew a vision of the possible Wilmington of fifty years hence. To secure this possible Wilmington, declared Dr. Reed, there must be a great public spirit, a spirit of co-operation for the good of all. He declared that there should be a greater interest in the public schools of the city. In closing he declared that there could be no advance except there were a normal and spiritual advance commensurate with the physical advance.

The Rev. Joseph Y. Irwin, pastor of Delaware Avenue Baptist Church preached on "The Great Thing Needed in Wilmington." He said that the thing that was most needed in Wilmington was a true revival in few things; a revival in personal progress working to the advantage of the city; a revival in church attendance, leading to the closer relations between the church and the city, and a higher personal religion. A revival in all these things alone could make better homes, a better church and a better city.

## Advertising E. St. Louis.

EXTRACTS are here included from a very interesting article prepared by Mr. W. M. Aubuchon, Jr., manager of the East St. Louis Industrial League. Unfortunately his entire argument relative to "putting East St. Louis on the news map" cannot be included.

"In the early part of 1913 a number of influential business men, who were desirous of making an organized effort to improve conditions in East St. Louis, created an association known as the Industrial League. The Industrial League was intended primarily to work for the industrial development of the city—to bring in more factories. In order to accomplish this a certain amount of advertising was necessary.

East St. Louis, Illinois, a city of 80,000 population, has not been able to support a large daily newspaper of sufficient national prestige to carry East St. Louis news very far outside of the city limits, on account of its proximity to the big city of St. Louis, Missouri, where several large metropolitan dailies are published. There are two small local papers, of considerable merit, in East St. Louis but as far as the distribution of the city's news in other cities is concerned, East St. Louis is obliged to depend on the St. Louis newspapers, and in the limited space allotted to East St. Louis it was next to impossible to get constructive news published. The outsider had heard little about our industries, good living conditions, respectable people, parks, theaters and boulevards. While East St. Louis is separated from St. Louis by the Mississippi River, and the two cities are in different states, commercially and socially they are one.

The Industrial League has been making efforts to overcome the years of erroneous impressions regarding East St. Louis. To counteract these wrong impressions the features of the city have been written up and published in newspapers and magazines throughout the United States.

East St. Louis was known as a flood city, because the Mississippi River, on several occasions, spread over the streets of the lower part of town. In 1913 a flood protection project, costing \$6,500,000, was started and today East St. Louis has a complete levee system. This fact has been published in newspapers and magazines in all parts of the United States. Stories of East St. Louis' water purification process, parks, financial resources and living conditions have been published through the efforts of the Industrial League in many newspapers. It was not the desire of East St. Louis to secure free advertising so much as it was the desire of the citizens to get the city on the news map, to apprise the world of the true conditions existing in East St. Louis.

It is realized that the newspaper is a powerful instrument for good or evil, therefore the League office assists the newspaper reporters in the collection of news. The reporters still lean on their old tendency to report police news, but the Industrial League helps them to keep the "news balance" by supplying them with good constructive news of East St. Louis. No doubt the activity of the Industrial League in the matter of news has brought thousands of dollars to East St. Louis and there is no question that every city whose citizens are interested in the general welfare of the community, should have a News Bureau to look after the community's rights in the matter of publication of community news."